



**CITY OF BEACHWOOD  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**CITY OF BEACHWOOD  
CUYAHOGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	1

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

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

City of Beachwood  
Cuyahoga County  
2700 Richmond Road  
Beachwood, Ohio 44122

To the Members of City Council:

We have audited the financial statements of the City of Beachwood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 29, 2002, in which report we noted the City adopted Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the City in a separate letter dated May 29, 2002.


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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

May 29, 2002



THE CITY OF BEACHWOOD OHIO  
Comprehensive Annual Financial Report

---



CAFR

*for the year ended*  
DECEMBER 31, 2001

CITY OF  
*Beachwood*





**City of Beachwood, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2001*  
*Table of Contents*

---

**I. Introductory Section**

Table of Contents .....	i
Letter of Transmittal.....	iv
List of City Officials.....	xiv
Organizational Chart .....	xv
GFOA Certificate of Achievement.....	xvi

**II. Financial Section**

Report of Independent Accountants .....	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
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	16
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..... 43

Combining Balance Sheet - Nonmajor Governmental Funds ..... 44

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Nonmajor Governmental Funds ..... 46

Combining Statements – Fiduciary Funds:

Fund Descriptions..... 48

Combining Statement of Assets and Liabilities - Agency Funds ..... 49

Combining Statement of Changes in Assets and Liabilities - Agency Funds ..... 50

Individual Fund Schedules of Revenues, Expenditures and Changes in  
Fund Balance - Budget (Non-GAAP Basis) and Actual:

General Fund ..... 52

Bond Retirement Fund ..... 57

Capital Improvements Fund ..... 58

Street Construction, Maintenance and Repair Fund ..... 59

State Highway Fund ..... 60

Mayor’s Court Improvement Fund ..... 61

Law Enforcement Trust Fund ..... 62

Police Pension Fund ..... 63

Street Lights Fund ..... 64

Paramedic Trust Fund ..... 65

Leo Weiss Trust Fund ..... 66

**III. Statistical Section**

General Governmental Revenues by Source and  
Expenses/Expenditures by Function - Last Ten Years ..... S2

Real Property and Public Utility Tax Levies and Collections - Last Ten Years ..... S4

Personal Property Tax Levies and Collections - Last Ten Years ..... S5

Assessed and Estimated Actual Value of Taxable Property - Last Ten Years ..... S6

Property Tax Rates - Direct and Overlapping Governments - Last Ten Years ..... S7

Special Assessment Levies and Collections - Last Ten Years ..... S8

General Bonded Debt ..... S9

Computation of Legal Debt Margin .....	S10
Computation of Overlapping General Obligation Bonded Debt .....	S11
Property Value, Construction and Bank Deposits - Last Ten Years .....	S12
Principal Taxpayers - Real and Tangible Personal Property .....	S13
Principal Taxpayers - Public Utility Property .....	S14
Demographic Statistics.....	S15
Miscellaneous Statistics .....	S16

# CITY OF *Beachwood*

2700 RICHMOND ROAD • BEACHWOOD, OHIO 44122

MAYOR  
MERLE S. GORDEN

May 29, 2002

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

It is our privilege to present to you the City of Beachwood's 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, 2001, 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 is the City's first done in compliance with GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

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. All disclosures necessary to enable the reader to gain an understanding of the City of Beachwood's activities have been included.

The Comprehensive Annual Financial Report is presented in three sections:

**THE INTRODUCTORY SECTION**, which includes a table of contents, this transmittal letter, a list of the City's principal elected and appointed officials, an organizational chart and the GFOA Certificate of Achievement.

**THE FINANCIAL SECTION**, which includes the Report of the Independent Accountants, and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.

**THE STATISTICAL SECTION**, which includes selected financial and demographic information, generally presented on a multi-year basis.

FINANCE DEPARTMENT  
DAVID A. PFAFF, CPA, FINANCE DIRECTOR  
PHONE (216) 464-2070 • FAX (216) 292-1912

## **REPORTING ENTITY**

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.

The City participates in the Northeast Ohio Public Energy Council, which is a jointly governed organization. This organization is presented in Note 17 of the Basic Financial Statements.

## **THE CITY OF BEACHWOOD**

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 six square miles, and is located in an area easily accessible by various methods of mass public transportation. The City is bordered on the east by Interstate 271, which provides connecting routes to Interstates 90 and 480. Cleveland Hopkins International Airport is less than thirty miles from Beachwood, while Cleveland Burke Lakefront Airport and the Cuyahoga County Regional Airport are both less than fifteen miles from the City.

The quality of life in Beachwood, supported by low taxes, an excellent public education system and effective public services, has consistently served to be attractive to new residents and commercial investors. Surveys show that young families are drawn to Beachwood for all of the reasons stated above, and these qualities are also a strong basis for maintaining a stable residential population. Currently, the community is made up of more than 2,500 homes and 1,800 apartment and condominium units and is populated by 12,186 residents. Due to factors attracting commercial interests to Beachwood, the daytime population swells to approximately 70,000 as employees arrive for work.

Cleveland's relatively close proximity allows Beachwood residents to benefit from cultural and entertainment attractions staged at sites within a short drive of the City. The Cleveland Orchestra at Severance Hall, the Cleveland Museum of Art and the Crawford Auto and Aviation Museum are all situated in University Circle just miles from Beachwood. Downtown Cleveland offers a wide array of professional and collegiate sports teams in state of the art facilities. The Great Lakes Science Center and the Rock and Roll Hall of Fame are popular additions to Cleveland's lakefront development, which is bordered by quality shopping offerings located at the Galleria and Tower City.

The Cleveland area is also well respected for the level of medical services available. The Cleveland Clinic Foundation is known world-wide as one of the premier medical facilities. University Hospitals also provide a top-rate source of specialized medical services. Both organizations are located less than fifteen minutes from Beachwood.

Beachwood itself offers residents and visitors a significant level of cultural, medical and entertainment services. Beachwood Place mall offers shoppers more than 140 stores featuring apparel, home furnishings and other gifts. Flanked by Saks Fifth Avenue, Nordstrom and Dillard's, Beachwood Place also is a profitable revenue source for the City, as it is staffed by over 1,500 sales associates. La Place and the Pavilion Shopping Centre are enclosed malls that also attract the attention of residents and commuting employees.

Beachwood is home to the Peter B. Lewis Aquatic & Therapy Center, a project made possible by Mr. Lewis, the Chief Executive Officer of Progressive Corporation. The first such aquatic rehabilitation center of its type in the Cleveland area, the facility includes therapy pools with moveable floors that allow clients to enter the pool in wheelchairs without fear of being lifted over the water surface.

MBNA is the largest independent credit card lender in the world, and has chosen Beachwood as the site of a major portion of their business operations. With a staff of approximately 2,200, MBNA is the City's largest employer and provides substantial tax revenues to support City operations. Mr. Alfred Lerner, president of MBNA, also owns a controlling interest in the Cleveland Browns football team.

The City has made substantial investments in its Recreation and Human Services programs, offering a wide array of sports and health improvement activities for commercial and residential citizens of Beachwood. Understanding the commitment the City has to its business community, there are a number of recreation programs that provide summer day camps as well as before and after-camp childcare that allow working parents a safe haven for their children. City-sponsored recreation activities run year-round, and include specialized programming for all ages and abilities.

## **CITY GOVERNMENT**

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.

At the first Council meeting in January following the election of Council members, Council is required to hold an organizational meeting at which time one of the members is elected Council President to serve for a term not to extend beyond the next organizational meeting. The Council President appoints chairpersons and members of standing and temporary committees of Council to serve terms not beyond the next organizational meeting.

Council also appoints individuals to serve in the positions of Law Director, Assistant Law Director and other Attorneys at Law for the City and confirms Mayoral appointments of various other director positions. Council is charged with approving the employment of consultants to advise and assist the Mayor, Council or any board, commission or department of the City relative to City issues.

The Council determines and sets compensation of City officials and employees, and enacts legislation in the form of ordinances and resolutions relative to City services, tax levies, appropriating and borrowing monies, licensing and regulating businesses and trades, and other various municipal purposes.

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.

The Mayor is required to supervise the administration of the City's affairs, and exercises control over all departments and divisions except those reserved to Council. The Mayor acts also as the chief conservator of the peace within the City, and is required to enforce all laws and regulations. The Mayor currently serves in the additional capacity of Safety Director.

City administrative departments operating under the supervision of the Mayor include Building, Community Services, Finance, Fire, Police and Service. Directors appointed by City Council control the Departments of Audit and Law. These departments work with and assist the various administrative operations of the City.

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.

## **ECONOMIC CONDITIONS AND OUTLOOK**

City Council and the Administration are committed to protecting the level of services afforded all of the commercial and residential citizenry of Beachwood 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 a Aa1 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 moderately low levels, vibrant and diverse local economy, and strong finances. Some factors noted by the rating agencies included the City's expanding tax base, high personal wealth levels, consistent strong financial performance, superior financial flexibility and low debt burden. The City is very proud of these ratings and will strive to continue at the level of excellence required to maintain them.

The area of Beachwood known as Chagrin Highlands continues to be the major area of 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. Additionally, one third of the 630-acre site overlooking Interstate 271 will be dedicated as scenic green space, a factor indicative of Beachwood's commitment to maintain a high sense of environmental integrity.

The Chagrin Highlands project will be the 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. Tax revenue generated from these employees will be available for infrastructure replacement and expansion. Construction of the first office building in the Chagrin Highlands was completed in 1999, with Scott Technologies as the major tenant. In 2001 construction of the second office building was completed and is now occupied by Penske Logistics.

Additionally, in 2001 MBNA completed construction of a new day care center and is currently in the process of constructing Building Four of their office campus, which includes an underground parking garage. It is anticipated that approximately 900 employees will eventually work in the new building.

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% income tax credit to its residents. 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% 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.

In an effort to maintain this strong commercial base the City extended the contractual agreement with the Beachwood Chamber of Commerce until December 31, 2005 to provide economical development services. Under this agreement the Beachwood Chamber of Commerce will work to keep current businesses and attract new businesses to the City. In addition, City elected officials and staff participate in the Chamber's Economic Development Council Roundtable, whose goal is to attract hi-tech businesses to the City of Beachwood. A pilot program is under way to assess the technological infrastructure needs of three buildings within the City limits.

Continually increasing property tax values, fueled by 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.

## **MAJOR INITIATIVES**

Cooperative efforts by the Mayor and Council led to a variety of major initiatives being implemented, continued, or completed in 2001. 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 Beachwood residential and commercial residents.

### City Master Plan

A measure of the City's commitment to future growth is the City Master Plan, a joint effort of Council and the Administration designed to appropriately provide facility expansion. Residents will benefit from construction of a new fire station, new recreational facilities, which will include new tennis courts and a Community Center and Park, and the expansion and remodeling of the existing Municipal Service Center. Construction of the new fire station and new tennis courts were completed in 2001. The Community Center and Park, and Municipal Service Center expansion are currently in the design phase. The City hopes to break ground on both these projects in 2002.

### Administrative Improvements

In 2001, the City continued an aggressive program to improve and update administrative resources and operational performance.

In 2001, the Beachwood Service Department continued its annual sewer repair program. In addition to the sewer program other projects included the realignment of the intersection of Richmond and Bryden, and street improvements to Blossom Lane, Highpoint Road, Timberlane Drive and Woodside Lane. The City's concrete crew continually performs routine street and sidewalk maintenance and repairs.



In addition to its infrastructure program, the Service Department continued its aggressive pursuit with regards to environmental issues. The environmentally conscious direction of the Mayor and Council, supported by the efforts of trained Service Department personnel, led to the City's certification as a "Tree City USA," an award presented by the National Arbor Day Foundation. The year 2001 marked the sixth consecutive year the City has received this award. The City also actively promotes its "Blue Bag" recycling program in conjunction with its rubbish collection.

The City also continued with advances in the area of technology through the purchase of various computer hardware, software, and network upgrades. These upgrades included the completion of the I-Net, and a card key security system in the new Fire Station and part of the Municipal Service Center. The I-Net is a system of fiber optic cables throughout the City, which links all municipal and educational institutions, along with the Beachwood Branch of the Cuyahoga County Library. Initially this system will be used for voice, data, and video transmission, however the future possible uses could be endless. The City now has access to a Government Channel through Adelphia Cable. The City hopes to begin broadcasting community events and bulletins in 2002.

### Community Programs

The City's Police Department continues to run the popular e-Copp and Senior Police Academy programs. The e-Copp program, which was spearheaded by two of the City's patrol officers is designed to teach online safety and personal information protection, teach children e-mail and chat room etiquette, online shopping safety, handling unwanted email and instant messages, and appropriate avenues to seek assistance with online problems. The Senior Police Academy is a community-policing program designed to educate senior citizens on how to avoid from becoming a victim of crime. The feedback on both these programs continues to be excellent. In addition to the programs mentioned above, the Police Department also conducts Bike Patrols, Safety Town and Bike Rodeo, and Senior Citizen/Female Self Defense Programs. These programs are also very popular with the community.

Beachwood's Fire Station No. 2 has been designated as a permanent Fitting Station for child automobile safety seat inspections. Six members of the Beachwood Fire Department completed a course and are certified by the National Highway and Traffic Safety Association to inspect for proper safety seat installation and usage in vehicles. This program is offered as a public safety service once a month. The initiative is known as Buckle Down Cleveland, and is sponsored by Rainbow Babies and Children's Hospital and Cleveland Safe Kids Coalition. The City's Fire Department also serves as a Mercury Disposal Site in conjunction with the Cuyahoga County Waste Management Department. We are one of four sites in the County.

The City's Community Services Department offers a vast array of programs to the community through the Recreation and Human Service Divisions. Some of the more popular programs are the Recreation Division's Summer Camps, and Baseball/Softball Programs that are routinely filled. In 2001, in conjunction with the Grand Opening of the Fire Station on Labor Day weekend, the City's Recreation Division offered a Family Fun Day event. This event featured food, entertainment, amusement rides, and carnival games. Due to its success it is now being planned as an annual event.

The Human Service Division offers a monthly Senior Day out program that is very popular with the senior citizens of the community. This program offers seniors a lunch along with entertainment or an educational speaker. The Human Service Division also offers a transportation program through the use of a City van to transport seniors to doctors' appointments, shopping, or other appointment needs. Due to the popularity of this program, the City applied for and received a grant from Cuyahoga County in 2000 for the purchase of another van. This new van was placed into service in 2001. Due to the popularity of the senior programs offered by the Human Services Division, Council has substantially increase appropriations to allow for an increase in day trips and the addition of one extended overnight trip. In the past overnight trips have included trips to the Chautauqua Institute and Branson, Missouri.

## **FUTURE PROJECTS AND PROGRAMS**

As Beachwood looks toward the future, the City Government has initiated plans to accommodate growth in the business and residential communities through an extensive expansion of facilities. The City Master Plan, a project started in 1998, provided for an evaluation of the effectiveness and efficiency of all aspects of City operations. The results of the research indicated that the City should undertake the four major projects mentioned in the City's Master Plan to protect the high level of public services Beachwood commercial and residential citizens have come to expect and enjoy.

The City is presently in the design and development phase of the remaining two projects, which are the Community Center and Park, and the renovation and expansion of the City Service Center.

The proposed Community Center and Park will be located on approximately 52 acres of land the City owns between the two Shaker Boulevards. The firm of Schmidt Copeland Parker Stevens was hired to plan and develop this project. The City is hopeful that construction will begin in 2002.

The renovation and expansion of the Municipal Service Center will provide needed administrative space for future growth of the City. The City has hired City Architecture to design and develop this project. The City hopes to have the design and development completed and construction started for this project by the end of 2002.

Related to the Master Plan development, the impact of the commercial projects underway at Chagrin Highlands played a major role in how growth in the City would be accommodated and managed. Upon completion of office park construction, projected to continue over the next twenty years, as many as 20,000 new workers are expected to obtain employment in Chagrin Highlands. Tax revenue from these employees should enhance annual tax collections substantially for the City.

An integral consideration of the Master Plan was to provide for a quality level of services for the influx of new employees anticipated to fill positions in Chagrin Highlands enterprises. Over the next twenty years, construction in Chagrin Highlands will increase the volume of commercial office space in Beachwood from 3.2 million to 5.2 million square feet.

Major construction projects planned for 2002 include the replacement of the Chagrin Boulevard Bridge over I-271. This project is being performed and funded through the Ohio Department of Transportation. Additionally, the City is installing sanitary sewers on Ramsey Road, North Woodland Road, and a portion of Fairmount Boulevard. The majority of this project is being funded by the City of Beachwood, with the residents paying a modest assessment of \$6,000 per parcel. This section of the City represents the last area that was still processing waste through septic tanks.

## **FINANCIAL INFORMATION**

### Accounting Policies and Budgetary Control

In 1997, the City of Beachwood converted its financial reporting from a cash basis to one in accordance and conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The City utilizes a modified accrual basis of accounting for all governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction may be determined, and available means collectible within the current year or in the subsequent year in sufficient time to pay liabilities of the current year. The available period for the City is sixty days after year-end.

The accrual basis of accounting is utilized for reporting purposes by the private purpose trust fund. Under this basis of accounting, revenues are recognized when earned and expenses are recorded as incurred. Use of this method of accounting enables City management to maximize decision making capabilities through a more efficient and consistent reporting system which allows current and past year operating information to be compared effectively.

The budgetary process is conducted in accordance with requirements stipulated in the Ohio Revised Code and the City Charter and related ordinances. Major documents associated with budget preparation include: the Cuyahoga County Tax Budget, the Certificate of Estimated Resources (filed with the Cuyahoga County Auditor) and the Appropriation Ordinance. All budget documents are prepared in compliance with the budgetary basis of accounting. Both the Certificate of Estimated Resources and the Appropriation Ordinance are subject to revision and amendment throughout the year; both are subject to the restriction that current appropriations cannot exceed estimated resources as disclosed on the Certificate of Estimated Resources. In accordance with State law, all funds, with the exception of agency funds, are legally required to be budgeted and appropriated. Council controls appropriations at the department level for the General Fund and at the fund level for all other funds. 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.

The City employs an encumbrance system documenting purchase commitment amounts prior to generation and release of official City purchase orders. Purchasing practices within the City require departmental review and authorization of all purchase requisitions prior to presentation to the Purchasing Department. Where applicable, proposed purchases in excess of administrative approval limits are subject to competitive bid requirements of Council and are awarded subsequent to approved legislation authorizing the procurement of goods or services. The Finance Director certifies all purchase orders for availability of funds and the estimated expenditure is encumbered against the appropriate departmental or fund appropriation.

Annual appropriations for the current year are determined by Council action on or before January 15 and are set as approved amounts in the City's computerized financial system. Any transfers or disbursements of cash between approved funds require appropriation authority and the approval of Council. Council previously approved a Chart of Accounts developed by the Finance Director, the content of which details funds, major revenue and expenditure classes and objects used in preparation of City financial statements and reports.

#### Internal Accounting and Reporting Control

In an effort to improve the level and efficiency of internal accounting controls, the City created a full-time position of Audit Director in 1998. The Audit Director reviews all financial operations of the City and also conducts periodic reviews of other aspects of administrative performance to develop recommendations for management and Council. In conjunction with ongoing evaluations conducted by the Mayor and Finance Director, the Audit Director assists in reviewing internal accounting controls, policies and procedures to insure that City management is exercising due diligence in conducting financial and administrative operations.

The Office of the Auditor of the State of Ohio audits financial records annually. The City management team reviews the findings and recommendations of the State Auditor and determines appropriate action to improve performance controls and to promote efficient financial operations conducted in the best interests of the commercial and residential citizens of the City.

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.

This concept also recognizes that the evaluation of costs and benefit require the preparation of estimates and judgments by City management. Based on the level of existing controls, and with consideration to the ongoing control review process conducted by City management and the State Auditor, we are confident that the City's internal accounting controls sufficiently safeguard City assets and provide for reasonable assurance of the proper recording and reporting of City financial transactions.

## **CASH MANAGEMENT**

Cash management is a vital component in the City of Beachwood's overall financial strategy. The primary objective of the City's investment activity is the protection of investment principal. With that in mind, the City's investment practice attempts to maximize earnings while maintaining the liquidity necessary to meet to meet day to day financial obligations. In addition to the security of the investment, a major consideration is the timing of needed cash to pay City liabilities. Cash resources of all City funds are combined for maximum return and are invested in accordance with the Ohio Revised Code. Allowable deposits and investments include certificates of deposit, savings accounts, State Treasurer's Investment Pool (STAROhio), manuscript bonds, U.S. Treasury Notes, federal agency securities, and repurchase agreements.

## **RISK MANAGEMENT**

The City carries insurance through Specialty National Insurance and Travelers Property Casualty. In 2001 insurance premiums were \$142,322.

The City carries a \$1,000,000/\$3,000,000 comprehensive general liability (including employee benefits and EMT liability) insurance policy with no deductible and \$10,000,000 umbrella over its comprehensive general liability, automobile, law enforcement liability, and public officials liability. The City also carries a \$1,000,000 law enforcement liability insurance policy with a \$10,000 deductible. Other coverage carried by the City includes property, inland marine, crime, boiler and machinery, and public officials (including fire department errors and omissions).

A \$100,000 blanket bond covers all employees of the City of Beachwood, except for the Finance Director, Mayor, and Tax Administrator. Individual bonds in the amount of \$100,000, \$10,000, and \$100,000 cover the Finance Director, Mayor, and Tax Administrator respectively.

The City pays the Ohio Bureau of Workers' Compensation System (OBWC) a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. In 2001, the City paid \$111,942 to the OBWC.

## **OTHER INFORMATION**

### **Independent Audit**

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 2001. This report is presented in the Financial Section.

## AWARDS

### GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) award a Certificate of Achievement for Excellence in Financial Reporting for a Comprehensive Annual Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting standards and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The 2000 CAFR received the Certificate of Achievement and we believe our current report will conform to the requirements and standards of the Certificate of Achievement Program. Thus, we are submitting the 2001 Comprehensive Annual Report to the GFOA for award consideration.

### Tree City USA

Beachwood received its sixth consecutive Tree City U.S.A. award for the year ended December 31, 2001. This prestigious award from the National Arbor Day Association presented through the Ohio Department of Natural Resources recognizes the City for its annual program of tree planting and maintenance.

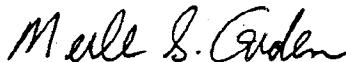
## ACKNOWLEDGMENTS

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.

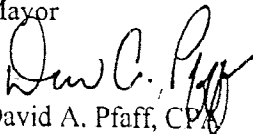
In addition, we would like to thank Beachwood City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

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, 2001*

ELECTED OFFICIALS

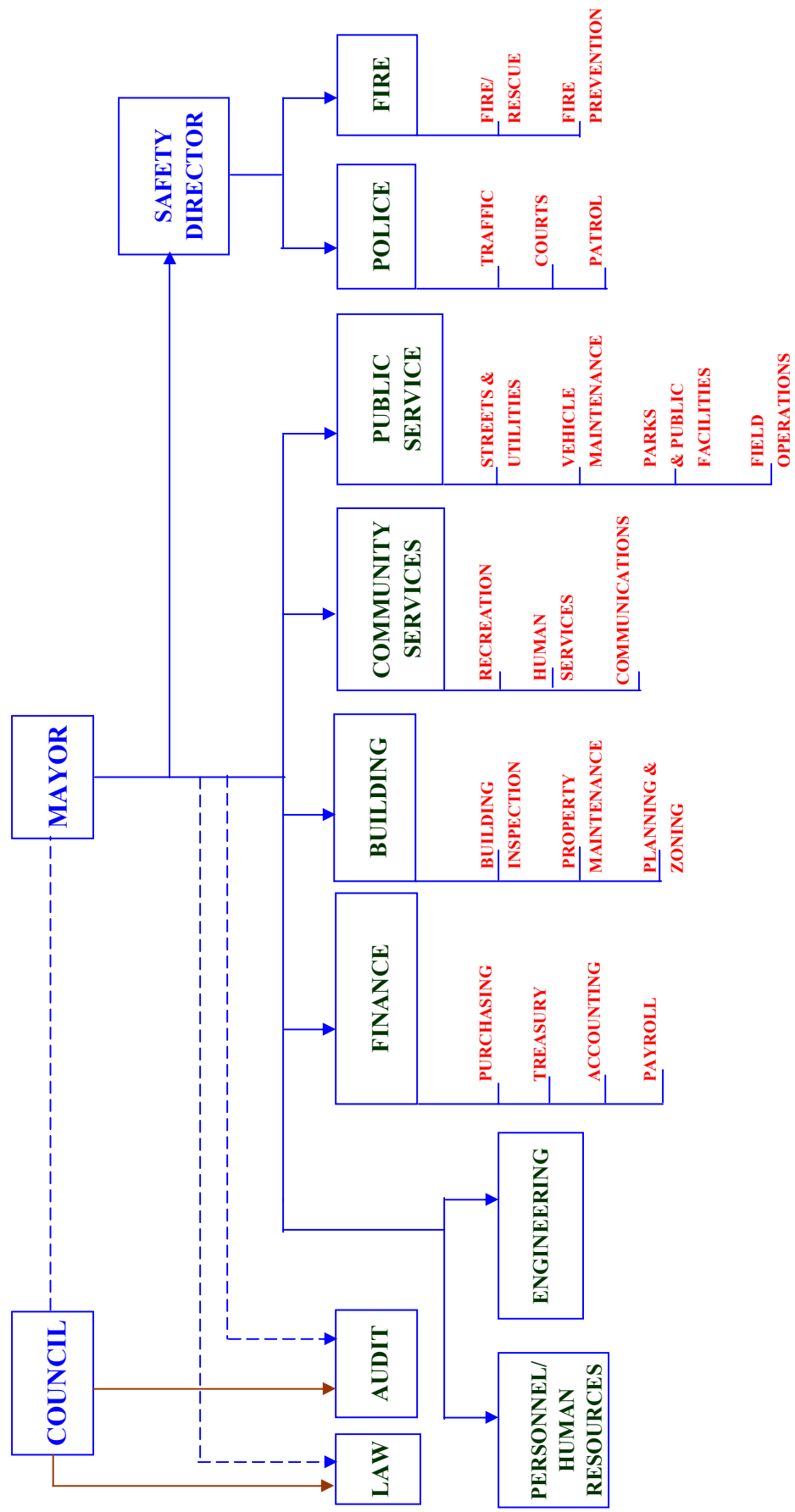
Mayor-Safety Director ..... Merle S. Gorden  
President of Council ..... Fredric S. Goodman  
Council Member ..... Martin D. Arsham  
Council Member ..... Alice Z. Jacobs  
Council Member ..... Melvin M. Jacobs  
Council Member ..... Kenneth W. Kleinman  
Council Member ..... Mark Mintz  
Council Member ..... Mark I. Wachter

APPOINTED OFFICIALS

Finance Director ..... David A. Pfaff  
Police Chief ..... Mark S. Sechrist  
Fire Chief ..... William S. Kaselak  
Service Director ..... Dale H. Pekarek  
Building Commissioner ..... John D. Korinek  
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 ..... Barbara Ann Blankfield

# 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, 2000

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



*Thomas A. Drew*  
President

*Jeffrey L. Ecker*  
Executive Director





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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

## REPORT OF INDEPENDENT ACCOUNTANTS

City of Beachwood  
Cuyahoga County  
2700 Richmond Road  
Beachwood, Ohio 44122

To the Members of City Council

We have audited the accompanying basic financial statements of the City of Beachwood, Cuyahoga County, Ohio, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Beachwood, Cuyahoga County, Ohio, as of December 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statement No. 34.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

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

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

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

**Jim Petro**  
Auditor of State

May 29, 2002

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

The discussion and analysis of the City of Beachwood's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2001. 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 2001 are as follows:

- The City's total net assets increased by \$4,379,560 or 4.6% as a result of this year's operations.
- Total current assets increased by \$6,473,204 or 11.61% over 2000 current assets. The increase is largely due to an increase in cash and cash equivalents which is the result of the issuance of \$4,000,000 in notes and an increase of over \$2,000,000 in estate taxes.
- Total current liabilities increased by \$3,985,066 or 85.4% from 2000. This was primarily due to the issuance of short-term notes totaling \$4,000,000.
- The City completed construction of a \$4.1 million fire station.
- The general fund transferred \$5,000,000 to the capital improvements capital projects fund in order to fund the Master Plan projects.

### **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 provides 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,

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

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.

From the Statement of Net Assets, you can determine what the City's current financial position is 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 from 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 to assess the overall health of the City also should be considered.

### ***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 2001 and 2000.

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

**Table 1**  
**Net Assets**

	Governmental Activities	
	2001	2000
<b>Assets</b>		
Current and Other Assets	\$62,214,871	\$55,741,667
Capital Assets, Net	56,601,824	55,019,292
<i>Total Assets</i>	<u>118,816,695</u>	<u>110,760,959</u>
<b>Liabilities</b>		
Current and Other Liabilities	8,651,487	4,666,421
Long-Term Liabilities:		
Due Within One Year	478,870	2,463,597
Due in More than One Year	9,292,669	7,616,932
<i>Total Liabilities</i>	<u>18,423,026</u>	<u>14,746,950</u>
<b>Net Assets</b>		
Invested in Capital Assets		
Net of Debt	44,084,204	46,053,292
Restricted:		
Capital Projects	27,726,272	24,200,163
Debt Service	7,086,749	7,573,075
Other Purposes	919,288	991,473
Unrestricted	20,577,156	17,196,106
<i>Total Net Assets</i>	<u>\$100,393,669</u>	<u>\$96,014,109</u>

Total assets increased by \$8,055,736 which can be attributed to a significant increase in cash and cash equivalents and an increase in capital assets.

Current liabilities increased by \$3,985,066 or 85.4% which is primarily due to the issuance of general obligation notes totaling \$4,000,000.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by covenants, enabling legislation, or other legal requirements, increased by \$3,381,050.

The City's financial position improved from 2000 to 2001 as indicated by the increase in total net assets for governmental activities of \$4,379,560.

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

Table 2 shows the changes in net assets for fiscal year 2001 and corresponds to the Statement of Activities. Table 2 indicates that total revenues exceeded total expenses by \$4,379,560. Since this is the first year the City has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2000 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

**Table 2**  
**Changes in Net Assets**

	Governmental Activities 2001
	2001
<b>Revenues</b>	
Program Revenues:	
Charges for Services	\$1,530,325
Operating Grants and Contributions	335,413
Capital Grants	69,119
General Revenues:	
Property Taxes	3,464,924
Municipal Income Tax	15,532,281
Grants and Entitlements	4,617,259
Investment Income	3,084,949
Gain on Sale of Capital Assets	20,469
Other	380,164
<i>Total Revenues</i>	<i>29,034,903</i>
<b>Program Expenses</b>	
General Government	2,644,334
Public Safety	
Police	5,627,976
Fire	4,465,052
Public Service	8,367,104
Health and Welfare	371,027
Culture and Recreation	1,724,729
Building and Community Development	925,213
Interest and Fiscal Charges	529,908
<i>Total Expenses</i>	<i>24,655,343</i>
<i>Increase in Net Assets</i>	<i>\$4,379,560</i>

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*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. In the latter case, the City allows a credit of 100 percent on the income earned outside of the City and paid to another municipality. On a full accrual basis, the City received \$15,532,281 in income tax collections or 53.5% of total 2001 revenue. The second most significant source of revenue is intergovernmental revenue. In 2001, the City received \$4,617,259 of unrestricted intergovernmental revenue or 15.9% of total revenue.

The City's strong commercial employment tax base has provided for a consistent level of withholding tax collections. This strong base has enabled the City to enjoy increased collections during economically strong periods, while at the same time maintaining fairly level collections during economic downturns. Over the last six years, income tax revenue averaged an annual increase of 4.8%. In an effort to maintain and increase the commercial tax base, the City has entered into an agreement with the Beachwood Chamber of Commerce to provide economical development services.

The following schedule 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 2001	Net Cost of Services 2001
	<u>2001</u>	<u>2001</u>
General Government	\$2,644,334	(\$2,290,801)
Public Safety		
Police	5,627,976	(5,582,343)
Fire	4,465,052	(4,461,442)
Public Services	8,367,104	(7,976,571)
Health and Welfare	371,027	(263,705)
Culture and Recreation	1,724,729	(1,310,500)
Building and Community Development	925,213	(305,216)
Interest and Fiscal Charges	529,908	(529,908)
	<u>529,908</u>	<u>(529,908)</u>
<i>Total Expenses</i>	<u>\$24,655,343</u>	<u>(\$22,720,486)</u>

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. In future years, this information will be more meaningful as prior year data will allow an assessment of whether a particular program is relying more or

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

less on general revenues. Also, the City will be able to use the information to determine if citizens are receiving a good value in public services in return for tax dollars and user fees.

Public safety expenses totaled \$10,093,028 or 41.1% of total 2001 expenses. A significant portion of these expenses can be attributed to salaries, wages and employee benefits. As of December 31, 2001 the City employed 43 full time police officers and 37 full time firefighters. Other significant expenses include public service expenses which totaled 33.7% of total expenses. The majority of public service expenses consisted of expenses for infrastructure repair.

### **The City's Funds**

Information about the City's major governmental funds begins on page 14. Total revenue and expenditures for the general fund (on a modified accrual basis) are \$28,080,022 and \$19,416,602 respectively. The general fund balance increased \$3,653,525. This increase indicates that the revenue base continues to meet City obligations and reflects the current solid financial condition of the City as a whole.

### ***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 budgetary control for the City is at the department level for the general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by ordinance of City Council. City policy permits fund transfers within control levels with the approval of the Mayor and Finance Director. During the course of 2001, 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 \$23,945,519; final budget amounts were \$27,767,189; and actual revenue collections were \$27,938,546. The majority of the increase in actual revenue over the original and final budgeted amounts is due to estate taxes. The original budget included a conservative estimate of \$1,500,000 while actual estate tax revenue was \$4,091,214. The City's ending unencumbered cash balance in the general fund was \$2,537,847 above the final budgeted amount.



**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

**Capital Assets and Debt Administration**

***Capital Assets***

Table 4 compares capital assets as of December 31, 2001 to balances at December 31, 2000.

Total capital assets as of December 31, 2001 were \$56,601,824 which is an increase of \$1,582,532 over 2000 capital assets. The most significant increase was in buildings due to the completion of a new fire station.

Each year the Service Director and Staff Engineer review the condition of the City's infrastructure and determine what work needs to be completed. The projects are then prioritized and submitted to the Mayor. During the budget process, the Mayor, Finance Director and Service Director determine which projects will be budgeted for the following year.

See Note 8 in the financial statements for more information regarding the City's capital assets.

**Table 4**  
**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities	
	2001	2000
Land	\$9,316,036	\$9,316,036
Land Improvements	322,229	350,950
Construction in Progress	1,580,912	3,016,846
Buildings and Improvements	11,360,734	7,473,552
Vehicles	2,155,767	2,165,349
Furniture and Equipment	1,382,207	1,378,371
Infrastructure		
Streets	26,395,693	28,054,927
Water Lines	2,415,632	2,100,425
Sanitary Sewers	715,188	439,385
Storm Sewers	957,426	723,451
	\$56,601,824	\$55,019,292
<i>Totals</i>		

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

***Debt***

Table 5 summarizes outstanding debt at December 31, 2001 compared to December 31, 2000.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2001	2000
Special Assessment Bonds	\$6,505,000	\$6,966,000
Various Improvement Note	2,000,000	2,000,000
Fire Note	4,000,000	0
<i>Totals</i>	\$12,505,000	\$8,966,000

The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. The various improvement note will be paid out of the bond retirement fund and the fire note will be paid out of the capital improvement fund. See Note 13 and Note 14 in the financial statements for more information regarding the City's outstanding debt.

**Current Financial Related Activities**

The City's budget for 2002 anticipates the current economic downturn will continue throughout 2002. Most of the major revenue sources for the City have been budgeted at an amount less than what was actually received in 2001. When preparing the 2002 budget, the Mayor asked department directors to request minimal increases, excluding salaries and benefits, from the 2001 budget. Excluding salaries and benefits, total General Fund 2002 appropriations increased by 0.7%. The majority of the increase can be attributed to the Human Services department which substantially increased the number of trips and events planned for senior citizens during 2002. These expenditures will be recovered through fees charged for the trips and events. Because of the City's strong financial position and the City's commitment to protecting the level of services afforded all citizens, the current economic downturn has had and will continue to have little or no impact to the services provided to residents.

In order to maintain services provided to citizens and improve the economic and operational efficiency of the City, the City has been focused on facility expansion issues. In 2001, the City completed construction on a new Fire Station and new tennis courts. In 2002, construction is expected to begin on a new Community Center and Park and architectural plans are currently being developed for renovations and additions to the Municipal Service Center. At this time, \$26,000,000 has been estimated as the cost for both of these projects. Additionally, the City has been proactive in the maintenance and upkeep of its infrastructure. For the past four years, the City has averaged approximately \$4,000,000 annually for infrastructure maintenance and reconstruction. For 2002, approximately \$3,700,000 has been budgeted for infrastructure improvements.

**City of Beachwood**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2001*  
*Unaudited*

---

**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, 2700 Richmond Road, Beachwood, Ohio 44122, 216-292-1913, or email at [david.pfaff@beachwoodohio.com](mailto:david.pfaff@beachwoodohio.com).

**City of Beachwood, Ohio**

*Statement of Net Assets*

*December 31, 2001*

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and Cash Equivalents	\$46,350,934
Investments	30,000
Materials and Supplies Inventory	322,454
Accrued Interest Receivable	228,716
Accounts Receivable	74,214
Intergovernmental Receivable	1,623,887
Prepaid Items	131,431
Taxes Receivable	6,918,577
Special Assessments Receivable	6,534,658
Nondepreciable Capital Assets	10,896,948
Depreciable Capital Assets, Net	45,704,876
	<hr/>
<i>Total Assets</i>	118,816,695
	<hr/>
<b>Liabilities</b>	
Accounts Payable	187,495
Contracts Payable	265,004
Accrued Wages and Benefits	435,105
Intergovernmental Payable	660,045
Deferred Revenue	2,530,391
Retainage Payable	466,346
Accrued Interest Payable	94,481
Notes Payable	4,012,620
Long-Term Liabilities:	
Due Within One Year	478,870
Due In More Than One Year	9,292,669
	<hr/>
<i>Total Liabilities</i>	18,423,026
	<hr/>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	44,084,204
Restricted for:	
Capital Projects	27,726,272
Debt Service	7,086,749
Other Purposes	919,288
Unrestricted	20,577,156
	<hr/>
<i>Total Net Assets</i>	\$100,393,669
	<hr/> <hr/>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2001

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities</b>					
General Government					
Legislative and Executive	\$2,644,334	\$353,533	\$0	\$0	(\$2,290,801)
Public Safety:					
Police	5,627,976	21,346	0	24,287	(5,582,343)
Fire	4,465,052	3,610	0	0	(4,461,442)
Public Services	8,367,104	10,288	335,413	44,832	(7,976,571)
Health and Welfare	371,027	107,322	0	0	(263,705)
Culture and Recreation	1,724,729	414,229	0	0	(1,310,500)
Building and Community Development	925,213	619,997	0	0	(305,216)
Interest and Fiscal Charges	529,908	0	0	0	(529,908)
<i>Total Governmental Activities</i>	<u>\$24,655,343</u>	<u>\$1,530,325</u>	<u>\$335,413</u>	<u>\$69,119</u>	<u>(22,720,486)</u>
<b>General Revenues</b>					
Property Taxes Levied for					
General Purposes					3,275,885
Police Pension					189,039
Municipal Income Taxes Levied for					
General Purposes					15,532,281
Grants and Entitlements not Restricted to Specific Programs					4,617,259
Investment Earnings					3,084,949
Gain on Sale of Capital Assets					20,469
Other					380,164
<i>Total General Revenues</i>					<u>27,100,046</u>
Change in Net Assets					4,379,560
<i>Net Assets Beginning of Year</i> <i>- (See Note 3)</i>					<u>96,014,109</u>
<i>Net Assets End of Year</i>					<u>\$100,393,669</u>

See accompanying notes to the basic financial statement

**City of Beachwood, Ohio**

*Balance Sheet*

*Governmental Funds*

*December 31, 2001*

	General	Bond Retirement	Capital Improvements
<b>Assets</b>			
Equity in Pooled Cash and			
Cash Equivalents	\$16,526,699	\$614,905	\$28,433,438
Investments	0	30,000	0
Taxes Receivable	6,718,727	0	0
Accounts Receivable	74,214	0	0
Intergovernmental Receivable	1,475,268	0	6,942
Interfund Receivable	1,500	0	0
Accrued Interest Receivable	228,716	0	0
Materials and Supplies Inventory	322,454	0	0
Prepaid Items	131,431	0	0
Special Assessments Receivable	0	6,534,658	0
<i>Total Assets</i>	<u>\$25,479,009</u>	<u>\$7,179,563</u>	<u>\$28,440,380</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$106,996	\$0	\$73,649
Contracts Payable	92,558	0	172,446
Accrued Wages and Benefits	435,105	0	0
Intergovernmental Payable	361,899	0	0
Interfund Payable	0	0	0
Retainage Payable	0	0	466,346
Deferred Revenue	4,143,753	6,534,658	0
Accrued Interest Payable	0	0	1,667
Notes Payable	0	0	4,000,000
<i>Total Liabilities</i>	<u>5,140,311</u>	<u>6,534,658</u>	<u>4,714,108</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	554,597	0	3,077,340
Reserved for Inventory	322,454	0	0
Undesignated, Reported in:			
General Fund	19,461,647	0	0
Special Revenue Funds	0	0	0
Debt Service Funds	0	644,905	0
Capital Projects Funds	0	0	20,648,932
<i>Total Fund Balances</i>	<u>20,338,698</u>	<u>644,905</u>	<u>23,726,272</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$25,479,009</u>	<u>\$7,179,563</u>	<u>\$28,440,380</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, 2001*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	<b>\$45,492,012</b>
		<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
\$775,892	\$46,350,934	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	56,601,824
0	30,000		
199,850	6,918,577		
0	74,214		
141,677	1,623,887	Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds:	
0	1,500	Delinquent Property Taxes	134,252
0	228,716	Intergovernmental	1,405,466
0	322,454	Special Assessments	6,534,658
0	131,431	Municipal Income Taxes	400,576
0	6,534,658		
\$1,117,419	\$62,216,371	Total	8,474,952
		Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(298,146)
\$6,850	\$187,495	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.	(92,814)
0	265,004		
0	435,105	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:	
0	361,899	Special Assessment Bonds	(6,505,000)
1,500	1,500	Notes Payable	(2,000,000)
0	466,346	Note Premium	(12,620)
326,932	11,005,343	Compensated Absences	(1,266,539)
0	1,667		
0	4,000,000	Total	(9,784,159)
335,282	16,724,359	<i>Net Assets of Governmental Activities</i>	<b>\$100,393,669</b>
128,328	3,760,265		
0	322,454		
0	19,461,647		
653,809	653,809		
0	644,905		
0	20,648,932		
782,137	45,492,012		
\$1,117,419	\$62,216,371		

**City of Beachwood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2001*

	General	Bond Retirement	Capital Improvements
<b>Revenues</b>			
Property and Other Taxes	\$3,251,444	\$0	\$0
Municipal Income Taxes	15,805,371	0	0
Charges for Services	684,746	0	0
Fines, Licenses, and Permits	832,201	0	0
Intergovernmental	4,588,601	0	0
Special Assessments	0	461,000	15,174
Interest	2,583,665	460,637	0
Other	333,994	0	46,170
<i>Total Revenues</i>	<u>28,080,022</u>	<u>921,637</u>	<u>61,344</u>
<b>Expenditures</b>			
Current:			
General Government:			
Legislative and Executive	2,348,068	0	0
Public Safety:			
Police	5,159,711	0	0
Fire	3,834,322	0	0
Public Services	5,480,357	0	0
Health and Welfare	412,988	0	0
Culture and Recreation	1,277,910	0	0
Building and Community Development	903,246	0	0
Capital Outlay	0	0	5,533,568
Debt Service:			
Principal Retirement	0	2,461,000	0
Interest and Fiscal Charges	0	541,132	1,667
<i>Total Expenditures</i>	<u>19,416,602</u>	<u>3,002,132</u>	<u>5,535,235</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>8,663,420</u>	<u>(2,080,495)</u>	<u>(5,473,891)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	20,469	0	0
General Obligation Notes Issued	0	2,000,000	0
Premium on Notes	0	12,620	0
Transfers In	0	0	5,000,000
Transfers Out	(5,000,000)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(4,979,531)</u>	<u>2,012,620</u>	<u>5,000,000</u>
<i>Net Change in Fund Balances</i>	3,683,889	(67,875)	(473,891)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	16,685,173	712,780	24,200,163
Decrease in Reserve for Inventory	(30,364)	0	0
<i>Fund Balances End of Year</i>	<u>\$20,338,698</u>	<u>\$644,905</u>	<u>\$23,726,272</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, 2001*

Other Governmental Funds	Total Governmental Funds
\$187,643	\$3,439,087
0	15,805,371
0	684,746
13,378	845,579
338,789	4,927,390
24,287	500,461
40,647	3,084,949
0	380,164
<u>604,744</u>	<u>29,667,747</u>
12,368	2,360,436
231,070	5,390,781
0	3,834,322
451,474	5,931,831
0	412,988
0	1,277,910
0	903,246
0	5,533,568
0	2,461,000
0	542,799
<u>694,912</u>	<u>28,648,881</u>
<u>(90,168)</u>	<u>1,018,866</u>
0	20,469
0	2,000,000
0	12,620
0	5,000,000
0	<u>(5,000,000)</u>
<u>0</u>	<u>2,033,089</u>
(90,168)	3,051,955
872,305	42,470,421
0	<u>(30,364)</u>
<u>\$782,137</u>	<u>\$45,492,012</u>

**Net Change in Fund Balances - Total Governmental Funds** \$3,051,955

***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 capital outlays exceeded depreciation in the current period.

Fixed Asset Additions	4,655,089	
Current Year Depreciation	<u>(2,985,056)</u>	1,670,033

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

(87,501)

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

Delinquent Property Taxes	25,837	
Grants	25,282	
Special Assessments	(431,342)	
Municipal Income Taxes	<u>(273,090)</u>	
Total		(653,313)

Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets

Proceeds of Notes	(2,000,000)	
Note Premium	<u>(12,620)</u>	
Total		(2,012,620)

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

2,461,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

12,891

Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable which represent contractually required pension contributions, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(152,110)	
Pension Obligation	119,589	
Change in Inventory	<u>(30,364)</u>	
Total		<u>(62,885)</u>

*Change in Net Assets of Governmental Activities*

\$4,379,560

**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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Taxes	\$2,856,916	\$3,312,876	\$3,236,209	(\$76,667)
Municipal Income Taxes	14,229,062	16,500,000	15,791,077	(708,923)
Charges for Services	536,393	622,000	684,746	62,746
Fines, Licenses, and Permits	486,677	564,350	832,201	267,851
Intergovernmental	3,869,802	4,487,417	4,984,492	497,075
Interest	1,724,735	2,000,000	2,089,412	89,412
Other	241,934	280,546	320,409	39,863
<i>Total Revenues</i>	<u>23,945,519</u>	<u>27,767,189</u>	<u>27,938,546</u>	<u>171,357</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,847,913	2,831,413	2,481,203	350,210
Public Safety:				
Police	5,876,798	5,826,798	5,301,172	525,626
Fire	3,945,325	3,995,325	3,881,109	114,216
Public Services	6,522,906	6,630,906	5,803,369	827,537
Health and Welfare	447,646	487,646	435,137	52,509
Culture and Recreation	1,519,036	1,484,036	1,285,572	198,464
Building and Community Development	1,214,940	1,219,940	932,481	287,459
<i>Total Expenditures</i>	<u>22,374,564</u>	<u>22,476,064</u>	<u>20,120,043</u>	<u>2,356,021</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,570,955</u>	<u>5,291,125</u>	<u>7,818,503</u>	<u>2,527,378</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	0	10,000	20,469	10,469
Advances Out	0	(1,500)	(1,500)	0
Transfers Out	(5,000,000)	(5,000,000)	(5,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,000,000)</u>	<u>(4,991,500)</u>	<u>(4,981,031)</u>	<u>10,469</u>
<i>Net Change in Fund Balance</i>	<u>(3,429,045)</u>	<u>299,625</u>	<u>2,837,472</u>	<u>2,537,847</u>
<i>Fund Balance Beginning of Year</i>	11,790,854	11,790,854	11,790,854	0
Prior Year Encumbrances Appropriated	624,764	624,764	624,764	0
<i>Fund Balance End of Year</i>	<u>\$8,986,573</u>	<u>\$12,715,243</u>	<u>\$15,253,090</u>	<u>\$2,537,847</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*December 31, 2001*

	Private Purpose Trust	
	Leo Weiss Trust	Agency
<b>Assets</b>		
Equity Pooled in Cash and Cash Equivalents	\$1,111	\$376,577
Cash and Cash Equivalents in Segregated Accounts	0	50
<i>Total Assets</i>	\$1,111	\$376,627
<b>Liabilities</b>		
Undistributed Monies	\$0	\$719
Deposits Held and Due to Others	0	375,908
<i>Total Liabilities</i>	0	\$376,627
<b>Net Assets</b>		
Held in Trust for Recreation	\$1,111	

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, 2001*

	Private Purpose Trust
	Leo Weiss Trust
<b>Additions</b>	
Interest	\$56
<b>Deductions</b>	
Materials and Supplies	40
<i>Change in Net Assets</i>	16
<i>Net Assets Beginning of Year</i>	1,095
<i>Net Assets End of Year</i>	\$1,111

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

**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.

***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. For the City of Beachwood, this includes police, fire, emergency service, rubbish collection, street construction, maintenance and repair, general administrative services, and a Mayor’s Court.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor’s Court fees and fines. This activity has been included in the City’s financial statements as an agency fund.

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 participated in one jointly governed organization, the Northeast Ohio Public Energy Council. This organization is described in Note 17 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 provided they do not 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, 2001*

---

---

**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.

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 of the City. 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 the collection of special assessments levied against benefitted properties for the payment of special assessment bond principal, interest and related costs.

**Capital Improvements Capital Projects Fund** The capital improvements capital projects fund accounts for note proceeds and transfers from the general fund to be used for the acquisition, construction, or improvement of major capital facilities.

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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

***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 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.

***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.

***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 are prepared using the accrual basis of accounting; fiduciary funds also use 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 period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 6.) Revenue from grants, entitlements and 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

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 and forfeitures, 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, 2001, but which were levied to finance year 2002 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, including the private purpose trust fund, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2001, investments were limited to STAROhio, manuscript bonds, Federal Agency Securities, U.S. Treasury Notes, non-negotiable certificates of deposit and repurchase agreements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements 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, 2001.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2001 amounted to \$2,583,665, which includes \$1,647,815 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.



**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2001, 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***

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

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

***H. Capital Assets***

General capital assets are capital assets which are associated with and generally arise from governmental activities. 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. Donated fixed assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. The City's infrastructure consists of streets, water lines, sanitary sewers, and storm sewers. 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:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	5 - 50 years
Vehicles	3 - 25 years
Furniture and Equipment	7 - 10 years
Infrastructure	8 - 50 years

***I. Interfund Balances***

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. Interfund balance amounts are eliminated in the statement of net assets.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

***J. 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.

***K. 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.

***L. 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 expendable resources and therefore are not available for appropriation or expenditures. As a result, encumbrances and inventories are recorded as a reservation of fund balance.

***M. 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 adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

***N. Interfund Activity***

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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

***O. 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. Neither type of transaction occurred during 2001.

***P. 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.

***Q. 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 department level for the general fund and at the fund level for all funds. The Finance Director with approval from the Mayor has been authorized to allocate appropriations to the function and object level within each fund. 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 budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2001.

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 - Change in Accounting Principles and Restatement of Prior Year Fund Equity**

***Change in Accounting Principles*** For 2001, the City has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosures", and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available.

GASB 34 creates new basic financial statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2000, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The City has also implemented a new capital asset policy which increases the capitalization threshold for capital assets from \$500 to \$5,000.

**Restatement of Fund Balances** The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Bond Retirement	Capital Improvements	Nonmajor	Total
Fund Balances, December 31, 2000	\$16,641,584	\$712,780	\$24,200,163	\$872,305	\$42,426,832
Interpretation 6:					
Compensated Absences Payable	43,589	0	0	0	43,589
Restated Fund Balance, December 31, 2000	<u>16,685,173</u>	<u>712,780</u>	<u>24,200,163</u>	<u>872,305</u>	<u>42,470,421</u>
GASB 34 Adjustments:					
Capital Assets					\$55,019,292
Long-Term (Deferred) Assets					9,128,265
Long-Term Liabilities					(10,080,429)
Pension Obligation					(417,735)
Accrued Interest Payable					<u>(105,705)</u>
Governmental Activities Net Assets, December 31, 2000					<u>\$96,014,109</u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

**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 Balances - 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).
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 fair value (GAAP) rather than cost (budget).

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	\$3,683,889
Net Adjustment for Revenue Accruals	367,256
Fair Value Adjustment for Investments	(508,732)
Net Adjustment for Expenditure Accruals	60,068
Advances Out	(1,500)
Encumbrances	<u>(763,509)</u>
Budget Basis	<u><u>\$2,837,472</u></u>

**Note 5 - Deposits and Investments**

State statutes classify monies held by the City into three categories:

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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,
6. The State Treasurer's investment pool (STAROhio).

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

1. Bonds of the State of Ohio;
2. Bond of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not default of principal, interest, or coupons; and,
3. Obligations of the City.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits.** At year-end, the carrying amount of the City's deposits was \$4,363,036 and the bank balance was \$4,857,914. \$416,644 of the bank balance was covered by federal depository insurance. \$4,441,270 was uninsured and uncollateralized.

**Investments.** The City's investments are required to be categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments which are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 3	Carrying Value	Fair Value
Repurchase Agreements	\$0	\$5,855,856	\$5,855,856	\$5,855,856
Federal National Mortgage Notes	0	5,022,840	5,022,840	5,116,180
U.S. Treasury Notes	0	7,532,892	7,532,892	7,670,428
Manuscript Bonds	30,000	0	30,000	30,000
Federal Home Loan Notes	0	14,181,731	14,181,731	14,389,745
Sallie Mae Notes	0	2,020,930	2,020,930	2,051,900
Federal Farm Credit Notes	0	3,523,090	3,523,090	3,563,330
STAROhio	0	0	3,718,197	3,718,197
<b>Total Investments</b>	<b>\$30,000</b>	<b>\$38,137,339</b>	<b>\$41,885,536</b>	<b>\$42,395,636</b>

The classification of cash and cash equivalents, and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with original maturities of three months or less and cash and investments of the cash management pool.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

A reconciliation between the classification of cash and investments on the financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$46,728,672	\$30,000
Repurchase Agreements	(5,855,856)	5,855,856
Federal National Mortgage Notes	(5,116,180)	5,116,180
U.S. Treasury Notes	(7,670,428)	7,670,428
Federal Home Loan Notes	(14,389,745)	14,389,745
Sallie Mae Notes	(2,051,900)	2,051,900
Federal Farm Credit Notes	(3,563,330)	3,563,330
STAROhio	(3,718,197)	3,718,197
GASB Statement 3	\$4,363,036	\$42,395,636

**Note 6 - Receivables**

Receivables at December 31, 2001, consisted primarily of municipal income taxes, property and other taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full.

Special assessments expected to be collected in more than one year amount to \$6,088,658 in the Bond Retirement Fund. At December 31, 2001 the amount of delinquent special assessments was \$18,631.

**A. Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) are for 2001 taxes.

2001 real property taxes are levied after October 1, 2001 on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

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. 2001 public utility property taxes which became a lien December 31, 2000, are levied after October 1, 2001, and collected in 2002 real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000 on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.



**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

The tax rate for all City operations for the year ended December 31, 2001, was \$4.00 per 1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property	\$619,675,050
Tangible Personal Property	77,768,001
Public Utility Property	<u>16,374,890</u>
 Total Valuation	 <u><u>\$713,817,941</u></u>

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

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 and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001 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 2001 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 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 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 tenth business day of the following month. Income tax revenue is credited entirely to the general fund.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

**C. Intergovernmental Receivable**

A summary of intergovernmental receivables follows:

Estate Tax	\$1,165,292
Local Government Tax	171,541
Gas Tax	131,879
Homestead and Rollback	130,639
Liquor Permit	7,434
Other	17,102
	17,102
Total	\$1,623,887

**Note 7 - 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 2001, the City contracted with several companies for various types of insurance as follows:

Company	Type	Coverage
Specialty National Insurance	Employee Dishonesty	\$100,000
	Law Enforcement Liability	1,000,000
	Commercial Crime	25,000
	Automobile - Comprehensive	1,000,000
	Electronic Data Processing	500,000
	Building and Personal Property	19,025,202
	Contractor's Equipment	2,453,880
	General Liability	
	(Includes Public Officials and Law Enforcement)	1,000,000/3,000,000
	Umbrella	10,000,000
Travelers Property Casualty	Boiler and Machinery	9,000,000

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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**Note 8 – Capital Assets**

Capital asset activity for the year ended December 31, 2001, was as follows:

	Adjusted Balance 12/31/2000	Additions	Deductions	Balance 12/31/2001
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	\$9,316,036	\$0	\$0	\$9,316,036
Construction in Progress	3,016,846	542,449	(1,978,383)	1,580,912
<i>Total Capital Assets, not being depreciated</i>	<u>12,332,882</u>	<u>542,449</u>	<u>(1,978,383)</u>	<u>10,896,948</u>
<i>Capital Assets, being depreciated</i>				
Land Improvements	766,124	9,789	0	775,913
Buildings and Improvements	9,944,875	4,085,939	0	14,030,814
Vehicles	4,905,646	426,394	(307,736)	5,024,304
Furniture and Equipment	2,358,050	212,389	(92,867)	2,477,572
Infrastructure				
Streets	39,747,863	448,975	0	40,196,838
Water Lines	2,437,495	369,541	0	2,807,036
Sanitary Sewers	570,178	287,207	0	857,385
Storm Sewers	840,685	250,789	0	1,091,474
<i>Total Capital Assets, being depreciated</i>	<u>61,570,916</u>	<u>6,091,023</u>	<u>(400,603)</u>	<u>67,261,336</u>
Less Accumulated Depreciation:				
Land Improvements	(415,174)	(38,510)	0	(453,684)
Buildings and Improvements	(2,471,323)	(198,757)	0	(2,670,080)
Vehicles	(2,740,297)	(394,232)	265,992	(2,868,537)
Furniture and Equipment	(979,679)	(162,796)	47,110	(1,095,365)
Infrastructure				
Streets	(11,692,936)	(2,108,209)	0	(13,801,145)
Water Lines	(337,070)	(54,334)	0	(391,404)
Sanitary Sewers	(130,793)	(11,404)	0	(142,197)
Storm Sewers	(117,234)	(16,814)	0	(134,048)
<i>Total Accumulated Depreciation</i>	<u>(18,884,506)</u>	<u>(2,985,056) *</u>	<u>313,102</u>	<u>(21,556,460)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>42,686,410</u>	<u>3,105,967</u>	<u>(87,501)</u>	<u>45,704,876</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$55,019,292</u></u>	<u><u>\$3,648,416</u></u>	<u><u>(\$2,065,884)</u></u>	<u><u>\$56,601,824</u></u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

\* Depreciation expense was charged to governmental activities as follows:

General Government	
Legislative and Executive	\$129,094
Public Safety	
Police	88,770
Fire	180,314
Public Services	2,525,739
Health and Welfare	9,647
Culture and Recreation	32,671
Building and Community Development	18,821
Total Depreciation Expense	<u><u>\$2,985,056</u></u>

**Note 9 - Defined Benefit Pension Plans**

***A. Public Employees Retirement System (PERS)***

All full-time employees, other than non-administrative full-time police officers and firefighters participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary rate rollback for state and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contribution to PERS for the years ended December 31, 2001, 2000, and 1999 were \$535,317, \$294,665, and \$477,515, respectively. The full amount has been contributed for 2000 and 1999. 73.98 percent has been contributed for 2001 with the remainder being presented as "intergovernmental payable" in the governmental activities column of the statement of net assets.

***B. Ohio Police and Fire Pension Fund***

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. 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 by Chapter 742 of the Ohio Revised Code. The OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12 percent for police and 16.5 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$313,642 and \$387,518 for the year ended December 31, 2001, \$315,915 and \$382,855 for the year ended December 31, 2000 and \$301,753 and \$365,219 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999. 73.09 percent and 71.44 percent, respectively, have been contributed for 2001 with the remainder being reported as "intergovernmental payable" in the governmental activities column of the statement of net assets.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the Public Employees Retirement System or the Ohio Police and Fire Pension Fund are covered by Social Security. As of December 31, 2001, the City's volunteer firefighters, hired after August 3, 1992, and one member of Council are covered by Social Security. The City's liability is 6.2 percent of wages paid.

**Note 10 - Postemployment Benefits**

***A. Public Employees Retirement System***

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$248,943. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

***B. Ohio Police and Fire Pension Fund***

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.5 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000 the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$196,026 for police and \$176,145 for fire. The OP&F's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

**Note 11 - 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 fifty percent of the annual accrual.

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. Upon death or retirement, employees with accumulated service time of 20 years or more, or administrative employees and service union members who qualify for retirement, at date of termination, under the Public Employees Retirement System and the Ohio Police and Fire Pension Fund, are entitled to convert 33 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. The conversion rate for police officers and dispatchers is 33 1/3 percent.

**Note 12 - Litigation**

The City of Beachwood is a party to legal proceedings. 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**Note 13 - Long-Term Obligations**

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

	Outstanding 12/31/2000	Additions	(Reductions)	Outstanding 12/31/2001	Amounts Due In One Year
<b>Special Assessment Bonds:</b>					
\$84,000 Annesly Road Improvement					
1981 9.625%	\$15,000	\$0	(\$5,000)	\$10,000	\$5,000
\$1,076,000 Sewer Improvements					
1981 11.875%	55,000	0	(55,000)	0	0
\$127,000 Timberland Drive Improvement					
1985 9.375%	36,000	0	(6,000)	30,000	6,000
\$670,000 Blossom Lane Improvements					
1988 7.500%	375,000	0	(35,000)	340,000	40,000
\$235,000 Meadowway Drive Improvement					
1989 7.150%	145,000	0	(10,000)	135,000	15,000
\$4,855,000 Various Projects					
1990 7.000%	3,280,000	0	(235,000)	3,045,000	255,000
\$610,000 Various Projects					
1994 6.750%	505,000	0	(25,000)	480,000	25,000
\$2,270,000 George Zeiger Drive Improvements					
1995 4.900%	2,000,000	0	(80,000)	1,920,000	85,000
\$555,000 Street and Sewer Improvements					
2000 5.400%	555,000	0	(10,000)	545,000	15,000
<i>Total Special Assessment Bonds</i>	<u>6,966,000</u>	<u>0</u>	<u>(461,000)</u>	<u>6,505,000</u>	<u>446,000</u>
Various Improvements Note 3.45%					
Matures March 1, 2002	2,000,000	2,000,000	(2,000,000)	2,000,000	0
Compensated Absences	1,114,429	154,807	(2,597)	1,266,639	32,870
<i>Total General Long-term Obligations</i>	<u>\$10,080,429</u>	<u>\$2,154,807</u>	<u>(\$2,463,597)</u>	<u>\$9,771,639</u>	<u>\$478,870</u>

The special assessment bonds are backed by the full faith and credit of the City of Beachwood and will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City.

Bond anticipation notes that were rolled over prior to the issuance of the financial statements and have a new maturity beyond the end of the year in which the report is issued have been reported as long-term obligations.

The compensated absences liability will be paid primarily from the general fund.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

The City's overall legal debt margin was \$68,950,884 at December 31, 2001. Principal and interest requirements to retire outstanding special assessment bonds at December 31, 2001, are as follows:

Year	Principal	Interest	Total
2002	\$446,000	\$395,250	\$841,250
2003	461,000	366,026	827,026
2004	501,000	335,753	836,753
2005	531,000	303,223	834,223
2006	556,000	268,672	824,672
2007-2011	2,665,000	767,658	3,432,658
2012-2016	1,175,000	200,672	1,375,672
2017-2020	170,000	11,745	181,745
<i>Total</i>	<u>\$6,505,000</u>	<u>\$2,648,999</u>	<u>\$9,153,999</u>

**Note 14 - Note Payable**

Changes in the City's note activity for the year ended December 31, 2001, were as follows:

	Outstanding 12/31/2000	Additions	Reductions	Outstanding 12/31/2001
2001 3.75%				
Fire Station Capital Improvement Note	<u>\$0</u>	<u>\$4,000,000</u>	<u>\$0</u>	<u>\$4,000,000</u>

On December 28, 2001, the City issued \$4,000,000 in Fire Station Capital Improvement Notes. The proceeds were spent on the construction of a new fire station, which was completed in 2001. The bond anticipation notes are backed by the full faith and credit of the City and mature within one year. The note liability is reflected in the capital improvements capital projects fund, which received the proceeds. The note was issued at a premium of \$12,620.

**Note 15 - Contractual Commitments**

The City had the following contractual commitments outstanding at December 31, 2001:

Project	Contract Amount	Amount Paid	Remaining on Contract
Construction of Fire Station	\$3,533,113	(\$3,401,540)	\$131,573
Master Plan	3,611,361	(1,556,538)	2,054,823
Road Improvements	2,147,946	(1,509,342)	638,604
Storm and Sanitary Sewer Improvements	411,679	(216,857)	194,822
Traffic Maintenance	49,615	(46,676)	2,939
Miscellaneous Architectural Services	237,153	(82,678)	154,475
<i>Total</i>	<u>\$9,990,867</u>	<u>(\$6,813,631)</u>	<u>\$3,177,236</u>



**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

---

---

**Note 16 – Interfund Transfers and Balances**

The general fund reported an interfund receivable of \$1,500, while the street lights special revenue fund reported an interfund payable of \$1,500. Monies were advanced to pay start up fees for a new program being started by the City.

A transfer of \$5,000,000 was made during calendar year 2001 from the general fund to the capital improvements capital project fund. This transfer was made to move unrestricted balances to support the capital projects of the City.

**Note 17 - 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 93 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 2001. Financial information can be obtained by contacting Dan DiLiberto, Treasurer, 35150 Lakeshore Boulevard, Eastlake, Ohio 44095.

**Note 18 - Subsequent Event**

On February 27, 2002, the City repaid the existing note and issued a new \$2,000,000 bond anticipation note at a rate of 1.55% for various improvement projects, with a maturity date of August 28, 2002.

**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 designated 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 designated 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 Zeiger Drive.

***Paramedic Trust Fund*** - This fund accounts for monies given to the City by the 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, 2001*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$233,625	\$396,447	\$29,961
Taxes Receivable	0	0	0
Intergovernmental Receivable	121,248	10,631	0
<i>Total Assets</i>	<u>\$354,873</u>	<u>\$407,078</u>	<u>\$29,961</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$6,850	\$0
Interfund Payable	0	0	0
Deferred Revenue	108,490	8,794	0
<i>Total Liabilities</i>	<u>108,490</u>	<u>15,644</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	128,239	0	89
Unreserved, Undesignated	118,144	391,434	29,872
<i>Total Fund Balances</i>	<u>246,383</u>	<u>391,434</u>	<u>29,961</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$354,873</u>	<u>\$407,078</u>	<u>\$29,961</u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Total Nonmajor Governmental Funds
\$12,590	\$35,091	\$64,449	\$3,729	\$775,892
0	199,850	0	0	199,850
0	9,798	0	0	141,677
<u>\$12,590</u>	<u>\$244,739</u>	<u>\$64,449</u>	<u>\$3,729</u>	<u>\$1,117,419</u>
\$0	\$0	\$0	\$0	\$6,850
0	0	1,500	0	1,500
0	209,648	0	0	326,932
<u>0</u>	<u>209,648</u>	<u>1,500</u>	<u>0</u>	<u>335,282</u>
0	0	0	0	128,328
12,590	35,091	62,949	3,729	653,809
<u>12,590</u>	<u>35,091</u>	<u>62,949</u>	<u>3,729</u>	<u>782,137</u>
<u>\$12,590</u>	<u>\$244,739</u>	<u>\$64,449</u>	<u>\$3,729</u>	<u>\$1,117,419</u>

**City of Beachwood, Ohio**

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

*Nonmajor Governmental Funds*

*For the Year Ended December 31, 2001*

	<u>Street Construction, Maintenance and Repair</u>	<u>State Highway</u>	<u>Mayor's Court Improvement</u>
<b>Revenues</b>			
Property and Other Taxes	\$0	\$0	\$0
Fines, Licenses, and Permits	0	0	12,960
Intergovernmental	293,702	24,615	0
Special Assessments	0	0	0
Interest	21,253	19,394	0
<i>Total Revenues</i>	<u>314,955</u>	<u>44,009</u>	<u>12,960</u>
<b>Expenditures</b>			
Current:			
General Government:			
Legislative and Executive	0	0	12,368
Public Safety:			
Police	0	0	0
Public Services	432,960	18,514	0
<i>Total Expenditures</i>	<u>432,960</u>	<u>18,514</u>	<u>12,368</u>
<i>Net Change in Fund Balances</i>	(118,005)	25,495	592
<i>Fund Balances Beginning of Year</i>	<u>364,388</u>	<u>365,939</u>	<u>29,369</u>
<i>Fund Balances End of Year</i>	<u><u>\$246,383</u></u>	<u><u>\$391,434</u></u>	<u><u>\$29,961</u></u>

Law Enforcement Trust	Police Pension	Street Lights	Paramedic Trust	Total Nonmajor Governmental Funds
\$0	\$187,643		\$0	\$187,643
418	0	0	0	13,378
0	20,472	0	0	338,789
0	0	24,287	0	24,287
0	0	0	0	40,647
418	208,115	24,287	0	604,744
0	0	0	0	12,368
0	214,417	16,653	0	231,070
0	0	0	0	451,474
0	214,417	16,653	0	694,912
418	(6,302)	7,634	0	(90,168)
12,172	41,393	55,315	3,729	872,305
\$12,590	\$35,091	\$62,949	\$3,729	\$782,137

## **Combining Statements – 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.

***Special Trust and Agency Fund*** - This fund is used to account for the receipt and disbursement of withholding 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.

***Mayor's Court Fund*** - This fund accounts for bank accounts used by the Mayor's Court for monies received to pay fines and court costs from the parties involved in the various court proceedings.



**City of Beachwood, Ohio**  
*Combining Statement of Assets and Liabilities*  
*Agency Funds*  
*December 31, 2001*

	Commercial Permits Tax	Deposits	Mayor's Court	Total
<b>Assets</b>				
Equity Pooled in Cash and Cash Equivalents	\$669	\$375,908	\$0	\$376,577
Cash and Cash Equivalents in Segregated Accounts	0	0	50	50
<i>Total Assets</i>	<u>\$669</u>	<u>\$375,908</u>	<u>\$50</u>	<u>\$376,627</u>
<b>Liabilities</b>				
Undistributed Monies	\$669	\$0	\$50	\$719
Deposits Held and Due to Others	0	375,908	0	375,908
<i>Total Liabilities</i>	<u>\$669</u>	<u>\$375,908</u>	<u>\$50</u>	<u>\$376,627</u>

**City of Beachwood, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2001*

	Beginning Balance 1/1/01	Additions	Deductions	Ending Balance 12/31/01
<b>Commercial Permits Tax</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$395	\$14,912	\$14,638	\$669
<b>Liabilities</b>				
Undistributed Monies	\$395	\$14,912	\$14,638	\$669
<b>Special Trust and Agency</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$454,703	\$454,703	\$0
<b>Liabilities</b>				
Deposits Held and Due to Others	\$0	\$454,703	\$454,703	\$0
<b>Deposits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$266,907	\$400,736	\$291,735	\$375,908
<b>Liabilities</b>				
Deposits Held and Due to Others	\$266,907	\$400,736	\$291,735	\$375,908
<b>Mayor's Court</b>				
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$20	\$457,641	\$457,611	\$50
<b>Liabilities</b>				
Undistributed Monies	\$20	\$457,641	\$457,611	\$50
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$267,302	\$870,351	\$761,076	\$376,577
Cash and Cash Equivalents in Segregated Accounts	20	457,641	457,611	50
<i>Total Assets</i>	<u>\$267,322</u>	<u>\$1,327,992</u>	<u>\$1,218,687</u>	<u>\$376,627</u>
<b>Liabilities</b>				
Undistributed Monies	\$415	\$472,553	\$472,249	\$719
Deposits Held and Due to Others	266,907	855,439	746,438	375,908
<i>Total Liabilities</i>	<u>\$267,322</u>	<u>\$1,327,992</u>	<u>\$1,218,687</u>	<u>\$376,627</u>

**Individual Fund Schedules of Revenues, Expenditures  
and Changes in Fund Balances - 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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$2,856,916	\$3,312,876	\$3,236,209	(\$76,667)
Municipal Income Taxes	14,229,062	16,500,000	15,791,077	(708,923)
Charges for Services	536,393	622,000	684,746	62,746
Fines, Licenses, and Permits	486,677	564,350	832,201	267,851
Intergovernmental	3,869,802	4,487,417	4,984,492	497,075
Interest	1,724,735	2,000,000	2,089,412	89,412
Other	241,934	280,546	320,409	39,863
<i>Total Revenues</i>	<u>23,945,519</u>	<u>27,767,189</u>	<u>27,938,546</u>	<u>171,357</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive:				
Council:				
Personal Services	161,500	161,500	156,363	5,137
Contractual Services	4,500	4,500	0	4,500
Materials and Supplies	2,200	2,200	1,429	771
Other	54,500	54,500	54,500	0
Total Council	<u>222,700</u>	<u>222,700</u>	<u>212,292</u>	<u>10,408</u>
Mayor:				
Personal Services	292,664	281,700	250,727	30,973
Contractual Services	20,778	20,000	17,202	2,798
Materials and Supplies	37,089	35,700	23,637	12,063
Capital Outlay	17,662	17,000	2,003	14,997
Other	33,608	32,401	22,456	9,945
Total Mayor	<u>401,801</u>	<u>386,801</u>	<u>316,025</u>	<u>70,776</u>
Finance Director:				
Personal Services	1,061,890	1,060,777	988,983	71,794
Contractual Services	60,236	60,172	45,372	14,800
Materials and Supplies	31,880	31,848	25,748	6,100
Capital Outlay	90,125	90,051	43,539	46,512
Other	206,875	206,658	194,578	12,080
Total Finance Director	<u>1,451,006</u>	<u>1,449,506</u>	<u>1,298,220</u>	<u>151,286</u>
Law Department:				
Personal Services	624,112	624,112	567,573	56,539
Contractual Services	21,874	21,874	4,000	17,874
Materials and Supplies	28,309	28,309	14,800	13,509
Capital Outlay	5,915	5,915	770	5,145
Other	92,196	92,196	67,523	24,673
Total Law Department	<u>772,406</u>	<u>772,406</u>	<u>654,666</u>	<u>117,740</u>
Total General Government	<u>\$2,847,913</u>	<u>\$2,831,413</u>	<u>\$2,481,203</u>	<u>\$350,210</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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Public Safety:				
Police:				
Law Enforcement:				
Personal Services	\$4,802,910	\$4,761,592	\$4,544,977	\$216,615
Contractual Services	299,728	297,500	279,071	18,429
Materials and Supplies	53,628	53,194	46,535	6,659
Capital Outlay	635,000	629,677	361,553	268,124
Other	85,532	84,835	69,036	15,799
Total Police	5,876,798	5,826,798	5,301,172	525,626
Fire:				
Hydrants:				
Personal Services	3,605,963	3,651,990	3,603,032	48,958
Contractual Services	75,498	76,292	56,212	20,080
Materials and Supplies	92,357	93,380	86,663	6,717
Capital Outlay	130,649	132,288	103,554	28,734
Other	40,858	41,375	31,648	9,727
Total Fire Department	3,945,325	3,995,325	3,881,109	114,216
Total Public Safety	9,822,123	9,822,123	9,182,281	639,842
Public Services:				
Service Department:				
Personal Services	415,881	415,881	404,770	11,111
Contractual Services	2,518	2,518	1,788	730
Materials and Supplies	55,292	55,292	44,059	11,233
Capital Outlay	42,144	42,144	29,126	13,018
Other	23,388	23,388	16,195	7,193
Total Service Department	539,223	539,223	495,938	43,285
Building and Grounds:				
Personal Services	891,487	935,974	898,051	37,923
Contractual Services	515,531	539,152	466,368	72,784
Materials and Supplies	219,311	229,985	192,720	37,265
Capital Outlay	52,559	54,942	33,364	21,578
Other	36,665	38,500	32,238	6,262
Total Building and Grounds	1,715,553	1,798,553	1,622,741	175,812
Fleet Maintenance:				
Personal Services	567,285	567,285	549,553	17,732
Contractual Services	71,900	71,900	62,516	9,384
Materials and Supplies	426,952	426,952	409,079	17,873
Capital Outlay	8,720	8,720	5,968	2,752
Total Fleet Maintenance	\$1,074,857	\$1,074,857	\$1,027,116	\$47,741

(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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Streets, Sidewalks, and Sewers:				
Personal Services	\$1,096,542	\$1,096,542	\$980,746	\$115,796
Contractual Services	148,143	148,143	94,125	54,018
Materials and Supplies	600,167	600,167	454,202	145,965
Capital Outlay	321,146	321,146	249,677	71,469
Other	11,753	11,753	2,637	9,116
Total Streets, Sidewalks, and Sewers	2,177,751	2,177,751	1,781,387	396,364
Sanitation:				
Personal Services	498,140	498,140	421,791	76,349
Contractual Services	245,035	245,035	199,910	45,125
Materials and Supplies	12,000	12,000	11,829	171
Capital Outlay	45,800	45,800	40,088	5,712
Other	1,016	1,016	333	683
Total Sanitation	801,991	801,991	673,951	128,040
Engineering Department:				
Personal Services	199,271	222,476	197,988	24,488
Materials and Supplies	4,463	5,024	1,456	3,568
Capital Outlay	5,327	6,000	1,035	4,965
Other	4,470	5,031	1,757	3,274
Total Engineering Department	213,531	238,531	202,236	36,295
Total Public Services	6,522,906	6,630,906	5,803,369	827,537
Health and Welfare:				
Human Services Department:				
Personal Services	228,227	249,140	225,982	23,158
Contractual Services	94,563	103,301	84,302	18,999
Materials and Supplies	38,493	41,663	37,132	4,531
Capital Outlay	55,561	60,187	58,254	1,933
Other	30,802	33,355	29,467	3,888
Total Health and Welfare	447,646	487,646	435,137	52,509
Culture and Recreation				
Recreation Administration:				
Personal Services	301,735	284,023	265,012	19,011
Contractual Services	242,820	229,138	203,350	25,788
Materials and Supplies	26,919	25,314	23,655	1,659
Capital Outlay	10,014	9,522	7,255	2,267
Other	26,150	24,641	23,348	1,293
Total Recreation Administration	\$607,638	\$572,638	\$522,620	\$50,018

(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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Recreation Camps:				
Personal Services	\$157,000	\$157,000	\$141,413	\$15,587
Contractual Services	69,300	69,300	52,127	17,173
Materials and Supplies	20,924	20,924	13,468	7,456
Other	3,559	3,559	1,533	2,026
<b>Total Recreation Camps</b>	<b>250,783</b>	<b>250,783</b>	<b>208,541</b>	<b>42,242</b>
Recreation Child Care:				
Personal Services	11,700	11,700	10,192	1,508
Contractual Services	500	500	0	500
Materials and Supplies	2,229	2,229	805	1,424
Other	3,059	3,059	1,748	1,311
<b>Total Recreation Child Care</b>	<b>17,488</b>	<b>17,488</b>	<b>12,745</b>	<b>4,743</b>
Recreation Sports Programs:				
Personal Services	19,800	19,800	13,488	6,312
Contractual Services	40,434	40,434	34,839	5,595
Materials and Supplies	34,174	34,174	25,744	8,430
Capital Outlay	6,000	6,000	1,216	4,784
Other	9,118	9,118	7,263	1,855
<b>Total Recreation Sports Programs</b>	<b>109,526</b>	<b>109,526</b>	<b>82,550</b>	<b>26,976</b>
Recreation Other Programs:				
Personal Services	77,025	77,025	75,509	1,516
Contractual Services	81,464	81,464	66,164	15,300
Materials and Supplies	8,834	8,834	6,904	1,930
Capital Outlay	3,000	3,000	1,815	1,185
Other	9,578	9,578	7,674	1,904
<b>Total Recreation Other Programs</b>	<b>179,901</b>	<b>179,901</b>	<b>158,066</b>	<b>21,835</b>
Recreation Parks/Swimming Pools:				
Personal Services	189,600	189,600	173,754	15,846
Contractual Services	102,600	102,600	84,607	17,993
Materials and Supplies	34,500	34,500	21,157	13,343
Capital Outlay	22,800	22,800	17,817	4,983
Other	4,200	4,200	3,715	485
<b>Total Recreation Parks/Swimming Pools</b>	<b>353,700</b>	<b>353,700</b>	<b>301,050</b>	<b>52,650</b>
<b>Total Culture and Recreation</b>	<b>\$1,519,036</b>	<b>\$1,484,036</b>	<b>\$1,285,572</b>	<b>\$198,464</b>

(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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Building and Community Development:				
Building Development:				
Personal Services	\$1,030,599	\$1,034,843	\$863,006	\$171,837
Contractual Services	9,510	9,550	2,568	6,982
Materials and Supplies	22,553	22,639	13,874	8,765
Capital Outlay	115,768	116,255	31,282	84,973
Other	36,510	36,653	21,751	14,902
Total Building and Community Development	1,214,940	1,219,940	932,481	287,459
<i>Total Expenditures</i>	22,374,564	22,476,064	20,120,043	2,356,021
<i>Excess of Revenues Over Expenditures</i>	1,570,955	5,291,125	7,818,503	2,527,378
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	0	10,000	20,469	10,469
Advances Out	0	(1,500)	(1,500)	0
Transfers Out	(5,000,000)	(5,000,000)	(5,000,000)	0
<i>Total Other Financing Sources (Uses)</i>	(5,000,000)	(4,991,500)	(4,981,031)	10,469
<i>Net Change in Fund Balance</i>	(3,429,045)	299,625	2,837,472	2,537,847
<i>Fund Balance Beginning of Year</i>	11,790,854	11,790,854	11,790,854	0
Prior Year Encumbrances Appropriated	624,764	624,764	624,764	0
<i>Fund Balance End of Year</i>	\$8,986,573	\$12,715,243	\$15,253,090	\$2,537,847



**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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$920,000	\$920,000	\$921,256	\$1,256
Interest	0	0	381	381
<i>Total Revenues</i>	<u>920,000</u>	<u>920,000</u>	<u>921,637</u>	<u>1,637</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	2,461,000	2,461,000	2,461,000	0
Interest and Fiscal Charges	579,100	579,100	541,132	37,968
<i>Total Expenditures</i>	<u>3,040,100</u>	<u>3,040,100</u>	<u>3,002,132</u>	<u>37,968</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,120,100)</u>	<u>(2,120,100)</u>	<u>(2,080,495)</u>	<u>39,605</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Notes	2,000,000	2,000,000	2,000,000	0
Premium on Notes	0	0	12,620	12,620
<i>Total Other Financing Sources</i>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,012,620</u>	<u>12,620</u>
<i>Net Change in Fund Balance</i>	(120,100)	(120,100)	(67,875)	52,225
<i>Fund Balance Beginning of Year</i>	712,680	712,680	712,680	0
Prior Year Encumbrances Appropriated	100	100	100	0
<i>Fund Balance End of Year</i>	<u><u>\$592,680</u></u>	<u><u>\$592,680</u></u>	<u><u>\$644,905</u></u>	<u><u>\$52,225</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, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$0	\$0	\$8,232	\$8,232
Other	0	0	46,170	46,170
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>54,402</u>	<u>54,402</u>
<b>Expenditures</b>				
Capital Outlay:				
Contractual Services	3,153,393	3,153,393	2,722,848	430,545
Capital Outlay	14,385,966	14,385,966	6,105,063	8,280,903
Other	203,000	203,000	8,200	194,800
<i>Total Expenditures</i>	<u>17,742,359</u>	<u>17,742,359</u>	<u>8,836,111</u>	<u>8,906,248</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(17,742,359)</u>	<u>(17,742,359)</u>	<u>(8,781,709)</u>	<u>8,960,650</u>
<b>Other Financing Sources</b>				
Proceeds of Notes	0	0	4,000,000	4,000,000
Transfers In	3,250,000	5,000,000	5,000,000	0
<i>Total Other Financing Sources</i>	<u>3,250,000</u>	<u>5,000,000</u>	<u>9,000,000</u>	<u>4,000,000</u>
<i>Net Change in Fund Balance</i>	(14,492,359)	(12,742,359)	218,291	12,960,650
<i>Fund Balance Beginning of Year</i>	20,801,689	20,801,689	20,801,689	0
Prior Year Encumbrances Appropriated	4,097,359	4,097,359	4,097,359	0
<i>Fund Balance End of Year</i>	<u>\$10,406,689</u>	<u>\$12,156,689</u>	<u>\$25,117,339</u>	<u>\$12,960,650</u>

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$310,000	\$299,000	\$303,544	\$4,544
Interest	30,000	25,000	21,253	(3,747)
<i>Total Revenues</i>	340,000	324,000	324,797	797
<b>Expenditures</b>				
Current:				
Public Service:				
Streets, Sidewalks, and Maintenance:				
Capital Outlay	662,119	647,119	561,200	85,919
<i>Net Change in Fund Balance</i>	(322,119)	(323,119)	(236,403)	86,716
<i>Fund Balance Beginning of Year</i>	179,669	179,669	179,669	0
Prior Year Encumbrances Appropriated	162,119	162,119	162,119	0
<i>Fund Balance End of Year</i>	<u>\$19,669</u>	<u>\$18,669</u>	<u>\$105,385</u>	<u>\$86,716</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, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$29,000	\$27,900	\$24,611	(\$3,289)
Interest	16,000	15,000	19,394	4,394
<i>Total Revenues</i>	<u>45,000</u>	<u>42,900</u>	<u>44,005</u>	<u>1,105</u>
<b>Expenditures</b>				
Current:				
Public Service:				
Streets, Sidewalks, and Maintenance:				
Personal Services	10,000	10,000	0	10,000
Contractual Services	40,000	40,000	18,514	21,486
Capital Outlay	350,000	350,000	0	350,000
<i>Total Expenditures</i>	<u>400,000</u>	<u>400,000</u>	<u>18,514</u>	<u>381,486</u>
<i>Net Change in Fund Balance</i>	(355,000)	(357,100)	25,491	382,591
<i>Fund Balance Beginning of Year</i>	<u>364,106</u>	<u>364,106</u>	<u>364,106</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$9,106</u>	<u>\$7,006</u>	<u>\$389,597</u>	<u>\$382,591</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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Fines, Licenses and Permits	\$16,000	\$11,000	\$12,960	\$1,960
<b>Expenditures</b>				
Current:				
General Government:				
Mayor:				
Personal Services	7,500	7,500	0	7,500
Materials and Supplies	4,000	4,000	89	3,911
Capital Outlay	35,100	35,100	18,968	16,132
<i>Total Expenditures</i>	46,600	46,600	19,057	27,543
<i>Net Change in Fund Balance</i>	(30,600)	(35,600)	(6,097)	29,503
<i>Fund Balance Beginning of Year</i>	29,369	29,369	29,369	0
Prior Year Encumbrances Appropriated	6,600	6,600	6,600	0
<i>Fund Balance End of Year</i>	\$5,369	\$369	\$29,872	\$29,503

**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Fines, Licenses and Permits	\$3,000	\$150	\$418	\$268
<b>Expenditures</b>				
Current:				
Public Safety:				
Law Department:				
Materials and Supplies	3,000	2,250	0	2,250
Capital Outlay	9,500	8,500	0	8,500
Other	1,500	1,250	0	1,250
<i>Total Expenditures</i>	<u>14,000</u>	<u>12,000</u>	<u>0</u>	<u>12,000</u>
<i>Net Change in Fund Balance</i>	(11,000)	(11,850)	418	12,268
<i>Fund Balance Beginning of Year</i>	<u>12,172</u>	<u>12,172</u>	<u>12,172</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,172</u></u>	<u><u>\$322</u></u>	<u><u>\$12,590</u></u>	<u><u>\$12,268</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, 2001*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$194,333	\$188,965	\$187,643	(\$1,322)
Intergovernmental	22,000	19,150	20,472	1,322
<i>Total Revenues</i>	216,333	208,115	208,115	0
<b>Expenditures</b>				
Current:				
Public Safety:				
Police Department:				
Personal Services	225,000	225,000	214,417	10,583
<i>Net Change in Fund Balance</i>	(8,667)	(16,885)	(6,302)	10,583
<i>Fund Balance Beginning of Year</i>	41,393	41,393	41,393	0
<i>Fund Balance End of Year</i>	<u>\$32,726</u>	<u>\$24,508</u>	<u>\$35,091</u>	<u>\$10,583</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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special Assessments	\$20,000	\$20,000	\$24,287	\$4,287
<b>Expenditures</b>				
Current:				
Public Safety:				
Streets, Sidewalks, and Sewers:				
Contractual Services	<u>21,500</u>	<u>21,500</u>	<u>16,653</u>	<u>4,847</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,500)	(1,500)	7,634	9,134
<b>Other Financing Sources</b>				
Advances In	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	9,134	9,134
<i>Fund Balance Beginning of Year</i>	<u>55,315</u>	<u>55,315</u>	<u>55,315</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,315</u></u>	<u><u>\$55,315</u></u>	<u><u>\$64,449</u></u>	<u><u>\$9,134</u></u>



**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, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<i>Total Revenues</i>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Public Safety:				
Fire Department:				
Capital Outlay	<u>3,729</u>	<u>3,729</u>	<u>0</u>	<u>3,729</u>
<i>Net Change in Fund Balance</i>	(3,729)	(3,729)	0	3,729
<i>Fund Balance Beginning of Year</i>	<u>3,729</u>	<u>3,729</u>	<u>3,729</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$3,729</u></u>	<u><u>\$3,729</u></u>

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Leo Weiss Trust Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$50	\$50	\$57	\$7
<b>Expenditures</b>				
Current:				
General Government:				
Miscellaneous:				
Materials and Supplies	100	100	40	60
<i>Net Change in Fund Balance</i>	(50)	(50)	17	67
<i>Fund Balance Beginning of Year</i>	1,095	1,095	1,095	0
<i>Fund Balance End of Year</i>	<u>\$1,045</u>	<u>\$1,045</u>	<u>\$1,112</u>	<u>\$67</u>

## **Statistical Section**

The following statistical tables reflect social and economic data, financial trends and fiscal capacity of the City.

**City of Beachwood, Ohio**  
*General Governmental Revenues by Source  
and Expenses/Expenditures by Function (1)  
Last Ten Years (2)*

	2001		2000	1999
	Full Accrual	Modified Accrual		
<b>Program Revenues</b>				
Charges for Services	\$1,530,325	N/A	N/A	N/A
Operating Grants and Contributions	335,413	N/A	N/A	N/A
Capital Grants and Contributions	69,119	N/A	N/A	N/A
<b>General Revenues</b>				
Taxes (3)	\$18,997,205	\$19,244,458	\$19,070,271	\$17,310,149
Charges for Services	N/A	684,746	556,452	599,805
Fines, Licenses, and Permits	N/A	845,579	637,602	635,959
Intergovernmental	4,617,259	4,927,390	4,369,859	3,073,641
Special Assessments	N/A	500,461	1,085,235	974,751
Interest	3,084,949	3,084,949	3,052,504	1,895,120
Donations	N/A	0	0	0
Other	380,164	380,164	68,649	195,892
<b>Total</b>	<b><u>\$29,014,434</u></b>	<b><u>\$29,667,747</u></b>	<b><u>\$28,840,572</u></b>	<b><u>\$24,685,317</u></b>
<b>Expenses/Expenditures</b>				
<b>Current</b>				
General Government	\$2,644,334	\$2,360,436	\$2,280,102	\$2,254,477
Public Safety: (4)	N/A	N/A	8,672,783	8,464,810
Police	5,627,976	5,390,781	N/A	N/A
Fire	4,465,052	3,834,322	N/A	N/A
Public Services	8,367,104	5,931,831	6,333,048	5,596,884
Health and Welfare	371,027	412,988	338,744	297,133
Transportation (5)	0	0	0	0
Culture and Recreation	1,724,729	1,277,910	1,175,955	1,135,689
Community Development	925,213	903,246	909,417	862,872
Basis Utility Services (5)	0	0	0	0
Capital Outlay	0	5,533,568	9,746,101	7,299,746
Debt Service				
Principal Retirement	0	2,461,000	2,431,000	430,000
Interest and Fiscal Charges	529,908	542,799	531,908	498,298
<b>Total</b>	<b><u>\$24,655,343</u></b>	<b><u>\$28,648,881</u></b>	<b><u>\$32,419,058</u></b>	<b><u>\$26,839,909</u></b>

Source: City financial records

(1) Includes General, Special Revenue, Debt Service and Capital Projects funds.

(2) 1997 - 2001 are reported on a GAAP basis; all others on a Cash basis.

(3) Includes All Taxes

(4) 2001 was the first year subcategories were identified for public safety.

(5) Prior to 1997, the City reported expenditures in the transportation and basic utility services category.

1998	1997	1996	1995	1994	1993	1992
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	N/A
\$16,537,836	\$16,601,521	\$16,327,242	\$15,273,531	\$14,679,323	\$13,405,663	\$13,932,508
889,564	687,330	450	100	0	0	24,150
873,213	929,560	961,008	515,659	529,905	483,544	505,945
2,885,619	4,476,126	2,059,463	5,950,815	2,995,592	1,986,134	1,578,980
963,511	1,041,403	1,592	1,674	30,211	1,670	1,592
2,656,226	2,237,905	0	0	0	0	0
19,890	0	0	0	0	0	0
554,545	151,668	2,760,826	1,250,291	1,054,873	881,274	1,728,426
<u>\$25,380,404</u>	<u>\$26,125,513</u>	<u>\$22,110,581</u>	<u>\$22,992,070</u>	<u>\$19,289,904</u>	<u>\$16,758,285</u>	<u>\$17,771,601</u>
\$2,141,822	\$1,750,146	\$3,617,008	\$2,491,905	\$3,366,748	\$4,461,774	\$3,141,485
8,004,484	6,706,503	7,201,156	5,960,641	5,989,600	5,254,548	4,735,436
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
5,206,040	4,915,061	26,831	29,670	24,257	26,413	26,453
74,602	0	0	0	0	0	0
0	0	4,794,293	3,292,418	4,192,994	2,174,565	3,630,201
1,214,131	1,265,314	138,380	191,691	197,340	223,338	96,831
795,265	791,317	781,420	545,671	746,947	696,644	517,558
0	0	1,074,084	768,375	1,430,785	1,578,822	1,060,073
5,280,119	2,553,922	0	329,319	440,442	510,646	501,671
1,035,000	1,015,000	1,005,000	2,000,000	2,000,000	3,500,000	800,000
533,940	576,127	514,346	844,108	674,774	605,963	74,074
<u>\$24,285,403</u>	<u>\$19,573,390</u>	<u>\$19,152,518</u>	<u>\$16,453,798</u>	<u>\$19,063,887</u>	<u>\$19,032,713</u>	<u>\$14,583,782</u>

**City of Beachwood, Ohio**  
*Real and Public Utility Property Tax Levies And Collections*  
*Last Ten Years*

Year	Current Levy (1)	Delinquent Levy	Total Levy	Current Collection (1)	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections To Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Tax Levy
2001	\$2,519,746	\$101,685	\$2,621,431	\$2,362,839	93.77%	\$72,250	\$2,435,089	96.64%	\$134,252	5.12%
2000	2,235,754	90,502	2,326,256	2,193,988	98.13	62,595	2,256,583	100.93	65,139	2.80
1999	2,193,925	68,547	2,262,472	2,134,653	97.30	44,362	2,179,015	99.32	65,281	2.89
1998	2,110,259	65,035	2,175,294	2,037,350	96.55	36,391	2,073,741	98.27	62,169	2.86
1997	1,955,738	87,183	2,042,921	1,892,545	96.77	27,280	1,919,825	98.16	50,935	2.49
1996	1,902,202	72,038	1,974,240	1,854,942	97.52	30,265	1,885,207	99.11	71,642	3.63
1995	1,894,741	91,804	1,986,545	1,719,454	90.75	33,062	1,752,516	92.49	77,316	3.89
1994	1,876,240	210,720	2,086,960	1,764,468	94.04	53,315	1,817,783	96.88	106,896	5.12
1993	1,512,710	231,097	1,743,807	1,401,199	92.63	78,478	1,479,677	97.82	242,526	13.91
1992	1,805,387	205,399	2,010,786	1,740,376	96.40	70,094	1,810,470	100.28	207,993	10.34

Source: Cuyahoga County, Ohio; County Auditor

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

(2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

**City of Beachwood, Ohio**  
*Personal Property Tax Levies And Collections*  
*Last Ten Years*

Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Collections To Tax Levy	Delinquent Collection	Total Collections	Percent of Total Collections to Current Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2001	\$311,567	\$55,673	\$367,240	\$295,783	94.93%	\$43,994	\$339,777	109.05%	\$26,787	8.60%
2000	295,392	26,737	322,128	258,690	87.58	14,492	273,181	92.48	65,482	22.17
1999	273,310	37,014	310,323	266,876	97.65	19,439	285,146	104.33	21,106	7.72
1998	260,460	35,693	296,153	242,667	93.17	17,793	260,460	100.00	29,366	11.27
1997	282,281	80,182	362,463	281,275	99.64	6,556	287,831	101.97	61,562	21.81
1996	233,678	100,571	334,249	230,660	98.71	3,018	233,678	100.00	63,137	27.02
1995	213,790	103,474	317,264	209,496	97.99	4,293	213,789	100.00	103,474	48.40
1994	182,864	113,006	295,870	174,659	95.51	10,303	184,962	101.15	110,062	60.19
1993	174,912	99,613	274,525	169,924	97.15	6,210	176,134	100.70	98,379	56.24
1992	184,667	99,872	284,539	177,874	96.32	26,634	204,508	110.74	81,712	44.25

Source: Cuyahoga County, Ohio; County Auditor

(1) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.

**City of Beachwood, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
2001	\$619,675,050	\$1,770,500,143	\$16,374,890	\$18,607,830	\$77,768,001	\$311,072,004	\$713,817,941	\$2,100,179,976	33.99%
2000	615,268,030	1,757,908,657	15,090,620	17,148,432	73,828,584	295,314,336	704,187,234	2,070,371,425	34.01
1999	539,039,250	1,540,112,143	18,612,250	21,150,284	68,327,501	273,310,004	625,979,001	1,834,572,431	34.12
1998	529,606,400	1,513,161,143	20,699,720	23,522,409	65,115,001	260,460,004	615,421,121	1,797,143,556	34.24
1997	507,681,500	1,450,518,571	19,293,070	21,923,943	53,827,069	215,308,276	580,801,639	1,687,750,791	34.41
1996	469,250,790	1,340,716,543	20,347,690	23,122,375	49,230,508	196,922,032	538,828,988	1,560,760,950	34.52
1995	455,996,370	1,302,846,771	19,611,490	22,285,784	43,875,056	175,500,224	519,482,916	1,500,632,780	34.62
1994	454,278,850	1,297,939,571	21,649,010	24,601,148	44,181,802	176,727,208	520,109,662	1,499,267,927	34.69
1993	427,019,180	1,220,054,800	21,092,810	23,969,102	43,234,508	172,938,032	491,346,498	1,416,961,934	34.68
1992	427,697,140	1,221,991,829	17,697,330	20,110,602	39,971,061	159,884,244	485,365,531	1,401,986,675	34.62

Source: Cuyahoga County, Ohio; County Auditor

(1) This amount is calculated based on the following percentages:

Real property is assessed at thirty-five percent of actual value.

Public utility is assessed at eighty-eight percent of actual value.

Tangible personal is assessed at twenty-five percent of actual value.



**City of Beachwood, Ohio**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(Per \$1,000 of Assessed Valuation)*  
*Last Ten Years*

Collection Year	City of Beachwood			Cuyahoga County	Beachwood City School District	Total Direct and Overlapping Governments
	General	Police Pension	Total City			
2001	\$3.70	\$0.30	\$4.00	\$17.60	\$67.90	\$89.50
2000	3.70	0.30	4.00	17.60	67.90	89.50
1999	3.70	0.30	4.00	16.70	68.00	88.70
1998	3.70	0.30	4.00	16.70	68.10	88.80
1997	3.70	0.30	4.00	18.00	67.50	89.50
1996	3.70	0.30	4.00	18.00	67.80	89.80
1995	3.70	0.30	4.00	18.20	65.30	87.50
1994	3.90	0.30	4.20	17.80	65.40	87.40
1993	3.10	0.30	3.40	17.80	65.40	86.60
1992	3.90	0.30	4.20	17.80	59.40	81.40

Source: Cuyahoga County, Ohio; County Auditor

**City of Beachwood, Ohio**  
*Special Assessment Levies and Collections (1)*  
*Last Ten Years*

Year	Current Assessments Levied	Current Assessments Collected	Percentage of Current Assessments Collected to Levy	Delinquent Assessments Collected	Percentage of Delinquent Assessments Collected to Current Levy	Total Assessments Collected (3)	Percentage of Total Collections to Current Levy	Accumulative Delinquency (2)
2001	\$955,187	\$960,717	100.58%	\$5,574	0.58%	\$461,000	48.26%	\$18,631
2000	921,139	1,073,425	116.53	11,810	1.28	1,085,235	117.81	20,049
1999	949,426	946,604	99.70	28,147	2.96	974,751	102.67	23,396
1998	981,339	935,931	95.37	27,580	2.81	963,511	98.18	37,616
1997	979,551	974,798	99.51	5,259	0.54	980,057	100.05	31,060
1996	806,079	780,181	96.79	26,380	3.27	806,561	100.06	42,381
1995	758,944	746,512	98.36	15,645	2.06	762,157	100.42	44,868
1994	775,598	759,711	97.95	19,396	2.50	779,107	100.45	67,326
1993	844,766	759,015	89.85	88,950	10.53	847,965	100.38	63,120
1992	865,636	858,352	99.16	9,928	1.15	868,280	100.31	72,620

Source: Cuyahoga County, Ohio; County Auditor

- (1) Includes only special assessments collected by the County for the retirement of debt.
- (2) Includes penalties and interest, since by Ohio Law, they become part of tax obligation as assessment occurs.
- (3) Prior to 2001, special assessments include both principal and interest.

**City of Beachwood**  
*General Bonded Debt*

The City of Beachwood has not had any general bonded debt for more than ten years; therefore, no ratio of net general bonded debt to assessed value and net bonded debt per capita and no ratio of annual debt services for general bonded debt to total general fund expenditures are presented in the City's statistical tables.

**City of Beachwood, Ohio**  
*Computation of Legal Debt Margin*  
*December 31, 2001*

Assessed Valuation		<u><u>\$713,817,941</u></u>
Overall Debt Limitation		
10.5% of Assessed Valuation		\$74,950,884
Gross Indebtedness		
Special Assessment Bonds	6,505,000	
Bond Anticipation Notes	<u>6,000,000</u>	
<i>Total</i>	12,505,000	
Exemptions:		
Special Assessment Bonds	<u>6,505,000</u>	
Debt Within 10.5% Limitation	6,000,000	
Less: Amount Available in Debt Service Fund	<u>0</u>	
Net Debt Within 10.5% Limitation		<u>6,000,000</u>
Overall Debt Margin Within 10.5% Limitation		<u><u>\$68,950,884</u></u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation		\$39,259,987
Gross indebtedness authorized by Council	12,505,000	
Less: Debt Outside Limitation:		
Special Assessments	<u>6,505,000</u>	
Debt Within 5.5% Limitation	6,000,000	
Less: Amount Available in Debt Service Fund	<u>0</u>	
Net Debt Within 5.5% Limitation		<u>6,000,000</u>
Unvoted Debt Margin Within 5.5% Limitation		<u><u>\$33,259,987</u></u>

Source: Cuyahoga County Auditor and City Financial Records

**City of Beachwood, Ohio**  
*Computation of Overlapping General Obligation Bonded Debt*  
*December 31, 2001*

	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Amount Applicable to City of Beachwood</u>
Cuyahoga County	\$216,544,636	2.49%	\$5,391,961
Beachwood City Schools	9,588,000	99.81	9,569,783
Regional Transit Authority	<u>123,915,000</u>	2.49	<u>3,085,484</u>
<i>Totals</i>	<u><u>\$350,047,636</u></u>		<u><u>\$18,047,228</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.

**City of Beachwood, Ohio**  
*Property Value, Construction and Bank Deposits*  
*Last Ten Years*

<u>Year</u>	<u>Property Value (1)</u>	<u>Number of Building Permits</u>	<u>Dollar Value of Building Permits</u>	<u>Bank Deposits (in thousands) (2)</u>
2001	\$619,675,050	317	\$61,141,750	\$63,893,769
2000	615,268,030	245	41,844,600	61,942,764
1999	539,039,250	252	17,815,775	57,816,942
1998	529,606,400	317	34,771,108	58,904,596
1997	507,681,500	285	68,034,294	53,941,971
1996	469,250,790	237	94,485,996	27,068,211
1995	455,996,370	220	12,649,092	22,458,573
1994	454,278,850	257	48,244,949	20,885,453
1993	427,019,180	301	32,750,541	21,009,421
1992	427,697,140	264	47,495,904	19,379,280

Sources: Cuyahoga County, Ohio; County Auditor  
City building permits reports  
Federal Reserve Bank of Cleveland

(1) Represents total real property assessed value for the City

(2) In 1997 Key Bank adopted a single charter causing a significant increase in recorded bank deposits

**City of Beachwood, Ohio**  
*Principal Taxpayers - Real and Tangible Personal Property*  
*December 31, 2001*

Taxpayer	Assessed Value	Percent of Assessed Value
Beachwood Place, Limited	\$40,696,960	5.84%
Bracebridge Corporation	29,645,490	4.25
Hamptons Apartments	13,811,180	1.98
Jewish Orthodox Home for Aged	11,508,780	1.65
Doublewood Corporation	10,770,100	1.54
Village Green of Beachwood	10,391,080	1.49
Cleveland Clinic	10,271,800	1.47
Dillards	7,272,760	1.04
Embassy Equity Development	6,475,630	0.93
HHC Beachwood, Inc.	<u>5,835,060</u>	<u>0.84</u>
<i>Totals</i>	<u><u>\$146,678,840</u></u>	<u><u>21.03%</u></u>
Real Property Assessed Valuation	\$619,675,050	
Tangible Personal Property Assessed Valuation	<u>77,768,001</u>	
Assessed Valuation	<u><u>\$697,443,051</u></u>	

Source: Cuyahoga County, Ohio; County Auditor

**City of Beachwood, Ohio**  
*Principal Taxpayers - Public Utility Property*  
*December 31, 2001*

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
Cleveland Electric Illuminating Company	\$5,702,240	34.82%
AT&T Wireless PCS	4,855,660	29.65
Ameritech Telephone Company	4,243,120	25.91
East Ohio Gas	<u>458,200</u>	<u>8.55</u>
<i>Totals</i>	<u><u>\$15,259,220</u></u>	<u><u>93.19%</u></u>
Assessed Valuation	<u><u>\$16,374,890</u></u>	

Source: Cuyahoga County, Ohio; County Auditor



**City of Beachwood, Ohio**  
*Demographic Statistics*  
*Last Ten Years*

<u>Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Cuyahoga County Unemployment Rate</u>
2001	12,186	1,595	4.6%
2000	12,186	1,425	4.5
1999	12,000	1,549	4.5
1998	12,000	1,528	4.5
1997	12,000	1,474	5.8
1996	11,291	1,485	5.2
1995	11,371	1,416	4.8
1994	11,474	1,402	5.8
1993	11,393	1,405	6.8
1992	10,746	1,358	7.2

Sources: Federal 2000 Census  
 Cuyahoga County Planning Commission  
 Beachwood City Schools  
 Ohio Bureau of Employment Services

**City of Beachwood, Ohio**

*Miscellaneous Statistics*

*December 31, 2001*

Date Founded	1915
Date of Incorporation	1915
Date Became a City	1960
Date of Adoption of Original City Charter	1959
Form of Government	Mayor-Council
Area-Square Miles	6
Fire Department:	
Number of Stations	2
Number of Uniformed Employees:	
Chief	1
Fire Prevention Officers	2
Full-Time	37
Part-Time	8
Number of Paramedics	
Full-Time	35
Part-Time	0
Police Department:	
Number of Stations	1
Number of Uniformed Employees:	
Chief	1
Deputy Chief	0
Full-Time	43
Part-Time	0
Number of Full-Time Dispatchers	12
Buildings:	
Permits Issued	317
Parks and Recreation:	
Number of Community Centers	1
Number of Swimming Pool Complexes	1
Number of Playgrounds	1
Number of Tennis Courts	6
Number of Basketball Courts	3

Source: City Records



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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  
JULY 25, 2002**