



**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2005**



**Auditor of State  
Betty Montgomery**



BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

TABLE OF CONTENTS

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

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

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

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

We have audited the financial statements of governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 23, 2005, we reported other matters related to noncompliance we deemed immaterial.

Beachwood City School District  
Cuyahoga County  
Independent Accountants' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

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

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

**Betty Montgomery**  
Auditor of State

November 23, 2005

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
BEACHWOOD CITY SCHOOL DISTRICT  
*for the*  
FISCAL YEAR ENDED JUNE 30, 2005



*Prepared by Treasurer's Department*

Michele E. Mills, Director of Finance/Treasurer  
Patti Woods, Assistant Treasurer  
April Yuhas, Payroll Coordinator  
Greg Minotas, Financial Processing Coordinator  
Kathleen Stroski, Purchasing Agent  
Karen Bencin, EMIS Coordinator  
Barb Taich, Duplicating Coordinator

24601 Fairmount Boulevard  
Beachwood, Ohio 44122-2298





**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**  
**Table of Contents**

**Page**

**Introductory Section**

Table of Contents .....	i
Letter of Transmittal.....	1
Board Members and Appointed Officials.....	9
Organizational Chart .....	10
GFOA Certificate of Achievement .....	11

**Financial Section**

Independent Accountants' Report .....	13
Management's Discussion and Analysis .....	15-22

*Basic Financial Statements:*

Government-wide Financial Statements:

Statement of Net Assets .....	23
Statement of Activities .....	24

Fund Financial Statements:

Balance Sheet – Governmental Funds .....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	28
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual – General Fund .....	30
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual – Consortium Fund.....	31
Statement of Fund Net Assets – Proprietary Fund .....	32
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund .....	33
Statement of Cash Flows – Proprietary Fund.....	34
Statement of Fiduciary Net Asset .....	35

Notes to the Basic Financial Statements .....	37
-----------------------------------------------	----

**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**  
**Table of Contents**

Combining Statements and Individual Fund Schedules:

Combining Statements – Non-major Governmental Funds:

Description of Funds .....	64
Combining Balance Sheet – Non-Major Governmental Funds .....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds .....	67
Combining Balance Sheet – Non-Major Capital Projects Funds .....	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Capital Projects Funds.....	69
Combining Balance Sheet – Non-Major Special Revenue Funds .....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds.....	74

Combining Statements – Fiduciary Funds:

Description of Funds .....	78
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	79

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

Major Funds:

General Fund .....	80
Bond Retirement Fund .....	84
Permanent Improvement Fund.....	85
Building Fund .....	86
Consortium Fund .....	88

NonMajor Funds:

School Net .....	90
Food Service .....	91
Expendable Trust Fund .....	92
Uniform Supplies .....	93
Adult Education .....	94
Recreation .....	95
Pupil Support .....	96
Misc. Local Grants .....	97
Preschool .....	98
District Managed Student Activities .....	99
Auxiliary Services .....	100
Management Information Systems.....	101
Entry Year Grant .....	102
One Net .....	103
School Net Professional Development.....	104

**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**  
**Table of Contents**

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

Student Reading Intervention Grant .....	105
Miscellaneous State Grants .....	106
IDEA B .....	107
Title III .....	108
Title I .....	109
Title V .....	110
Drug Free Education.....	111
Preschool Handicapped Grant .....	112
Title II-A .....	113
Title II-D .....	114
Health Care .....	115

**Statistical Tables**

**Financial Trends**

Net Assets by Component Last Three Fiscal Year.....	S 2
Changes in Net Assets of Governmental Activities Last Three Fiscal Years .....	S 3
Program Revenues by Source Last Three Fiscal Years .....	S 5
Fund Balances, Governmental Funds Last Ten Fiscal Years.....	S 6
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years .....	S 8

**Revenue Capacity**

Assessed and Estimated Actual Value of Taxable Property, Last Ten Years.....	S 10
Property Tax Rates – Direct and Overlapping Last Ten Years.....	S 11
Property Tax Levies and Collections, Real and Personal Property - Last Ten Calendar Years.....	S 12
Principal Property Taxpayers - Real Estate Tax .....	S 13
Principal Property Taxpayers - Tangible Personal Property Tax .....	S 14
Principal Property Taxpayers – Public Utility Property Tax.....	S 15
Principal Employers .....	S 16

**Debt Capacity**

Computation of Direct and Overlapping Debt.....	S 17
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Years.....	S 18
Computation of Legal Debt Margin Last Ten Years.....	S 19

**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**  
**Table of Contents**

**Statistical Tables, continued**

**Operating Information**

Demographic and Economic Statistics Last Ten Years .....	S 21
Building Statistics by Function/Program .....	S 22
Per Pupil Cost Last Ten Fiscal Years .....	S 23
Attendance and Graduation Rates Last Eight Years.....	S 24
School District Employees by Function/Department Last Three Fiscal Years.....	S 25
Full-Time Equivalent School District Teachers by Education Last Two Fiscal Years .....	S 26
Enrollment Statistics Last Ten Fiscal Years.....	S 27
ACT Composite Scores Last Seven School Years .....	S 28
SAT Composite Scores Last Seven School Years .....	S 29
Average Numbers of Students per Teacher Last Ten School Years.....	S 30



**BEACHWOOD CITY SCHOOL DISTRICT**  
24601 Fairmount Boulevard  
Beachwood, OH 44122  
Phone: 216.464.2600

November 23, 2005

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

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District for the fiscal year ended June 30, 2005, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is divided into the following sections:

- o The Introductory Section, which includes this transmittal letter, a list of principal officials, the District's organizational chart and the GFOA certificate of achievement.
- o The Financial Section, which includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules that provide detailed information relative to the Basic Financial Statements, as well as the report of Independent Accountants' Report on the financial statements and schedules.
- o The Statistical Section, which includes related financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the District. The District provides a full range of primary and secondary educational services to the residents of the City of Beachwood, Ohio. However, the City of Beachwood, Ohio, and the Beachwood Public Library have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

## *Beachwood City School District*

### **The School District**

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

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

### **Major Initiatives**

#### *Mission and Vision*

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

#### *Board of Education Goals*

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

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

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

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

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

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

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

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

## *Beachwood City School District*

### *Major Initiatives and Accomplishments*

A major accomplishment of the 2004-2005 school year for Beachwood City Schools was the passage by the community of a 5.9 mill tax levy last May. That action continued Beachwood's perfect record of support for such measures. In fact, the levy passed by a margin rumored to be the highest in the state for the May 2005 election. The Board of Education, staff and students of Beachwood are tremendously grateful for our residents' unparalleled support of their schools.

Beachwood, like all Ohio school districts, faces significant challenges due to the state's alterations in the school funding formula, a slowed state economy, rising health care costs, and unprecedented heating and fuel expenditures. Last school year, thanks to measures begun in 2003-2004, the District reduced its annual per-pupil expenditures by nearly \$1,000. That process will continue into 2005-2006.

The community was assured that the passage of the levy would be accompanied by a \$1 million reduction in spending for the current school year. That assurance is being maintained.

Much administrative energy this past year was consumed with management issues designed to keep the District out of debt. Now with the levy behind us, we face the task of moving forward with the realization that the educational landscape through which we travel truly has changed.

Fortunately for us, Beachwood is in far better shape financially than are most other school districts. While we have to utilize our financial resources wisely, we have the means to focus our attention more fully on the process of learning. This is indeed a welcome prospect. The art of teaching is a far more interesting phenomenon than is the act of managing.

These goals are visible in various District publications and teachers utilize them to develop their Individual Professional Development Plans.

Achievement and distinction are conspicuous commodities in Beachwood. We must maintain that tradition.

Ten percent of last year's senior class was recognized by the College Entrance Examination Board as Commended Scholars, National Merit Scholarship Semi-Finalists, or Finalists. Our high school students' Advanced Placement scores, SAT scores, and ACT scores are among the highest in the state. Beachwood High School Ohio Graduation Test results rose tremendously in one year. Our high school athletes earned national titles in track and wrestling; state titles in cross-country, track and wrestling; and four conference championships. Our middle school was named the 2004 National 21st Century School of Distinction in Technology Excellence. Hilltop Elementary School garnered national recognition by being named a "Points of Light" award recipient due to our students' service to their community. Our staff members are recognized contributors at the state, national, and international levels. But evidence of achievement is not always so tangible.

Fostering achievement for all students means being determined that every student who enters our doors regardless of cognitive ability, family background, race, ethnicity, or gender be given the opportunity to reach that person's potential. Fostering achievement means that we will identify and remove obstacles to success. This initiative will impact our regular education program, our special education program, and our gifted education program. It will affect our staff development and adult education offerings. It will incorporate and expand upon the efforts of our Differential Achievement Committee. It will bolster our co-curricular and extracurricular opportunities, and it will strengthen and broaden the reputation for academic excellence that

## *Beachwood City School District*

characterizes Beachwood.

“Differentiation” is a word used frequently in educational circles. It simply means that we as educators need to strive to meet the varied needs of all of our students. In light of federal mandates in No Child Left Behind, and others related to “least restrictive environment” and the increasing provision of special services to students in the context of the regular classroom, teachers need to become more adept at meeting the widening range of student needs.

Growing that capacity will require some concerted inservice opportunities. Teachers must have the necessary tools to complete a complex task. With help from both resident and outside resources, we will offer opportunities for our staff to become experts in differentiation. We have abundant professional talent in our faculty and an established history of success in meeting the needs of students at the extreme ends of the cognitive spectrum. Without sacrificing that reputation, we will focus a bit more attention on the students in the middle.

The third initiative, the “data-driven” piece, is another prevalent theme in educational circles. It finds a voice in discussions about pre-tests and post-tests, value added, authentic assessment, and a host of other manifestations. In reality, all these pieces are part of the puzzle.

However, we are addressing once again a fairly simple concept. We need evidence to validate what we teach and how we teach it. Some data is longitudinal in nature, some is gleaned from standardized tests. Some comes from criterion-referenced tests like those mandated by the State of Ohio. Some is gathered through classroom observation and assessment of students’ work. In short, we need to be able to demonstrate tangibly student achievement from year to year.

2005-2006 holds many wonderful opportunities for Beachwood City Schools. As we explore new educational programs, strengthen existing offerings, and inspire learning in our students and staff, we are cognizant of the debt that we owe to our community.

The residents of Beachwood have built some of the finest schools in the state and have supported them abundantly. This year, we will be exploring educational opportunities to maintain the community’s history of commitment to educational innovation and excellence. That is an exciting forward-moving process that embodies the spirit of the community and invests it in the schools.

### **Financial Information**

#### *Accounting and Budgetary Controls*

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

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

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



## *Beachwood City School District*

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

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

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

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

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

### *Financial Reporting*

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

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

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

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

## *Beachwood City School District*

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for the fiscal year 2005.

### *Debt Administration*

At June 30, 2005, the District had general obligation bond issues outstanding of \$16,060,022. See Note 14 of the Notes to the Basic Financial Statements.

Under the current Ohio Revised Code, the District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1% respectively, of the total assessed value of real and personal property. At June 30, 2005, the District's voted general obligation bonded debt of \$16,060,022 was substantially below the legal limit of \$50,492,803 (voted). In addition, the District had no un-voted debt at June 30, 2005. The District has received an Aa2 rating confirmed from Moody's Investors Service in October 2002.

### *Cash Management*

Cash not needed for immediate use during the year was invested in Demand Deposits, Certificates of Deposit, Federal Agency Discount Notes, Treasury Bills, Victory Money Market Funds, and the State Treasurer's Asset Reserve of Ohio program administered by the Office of the Treasury of the State of Ohio. This program is a statewide investment pool offered to political sub-divisions of the State of Ohio as a conservative means of investing in a portfolio of investment instruments. The portfolio consists of Government/Federal Agency securities, collateralized certificates of deposit, and repurchase agreements with eligible Ohio financial institutions.

### *Risk Management*

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

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

### **Significant Local Economic Events**

The District passed 5.9 mill operating levy in May, 2005. The voters passed the levy with an overwhelming 68% approval rate. Passage of this levy will allow the District to continue to provide outstanding educational services to our students. Levy proceeds began collecting in January 2006.

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest. The growth in the tax duplicate has been primarily realized due to the continued development of both office and retail commercial property and residential development. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-five percent of the District's valuation is comprised of residential property and fifty-five percent is comprised of commercial or public utility property. Due to changes in laws enacted by the State legislature, the District's personal property tax base will continue to erode as the State has eliminated the tax on inventories at 2% each year until the tax is eliminated without any revenue replacement for schools. The State of Ohio's overall

## *Beachwood City School District*

economic outlook is not as bright as the rest of the country as we make our way through economic recovery.

The City of Beachwood has annexed 400 acres from a neighboring community in order to develop a proposed \$500 million, 633-acre corporate complex featuring office space, a retail mall and at least one hotel. The District signed an agreement with the Warrensville Heights School District to share in any future tax revenue. Beachwood Schools would receive 30% of the tax revenue from all future development. Originally, Warrensville Heights School District was the sole beneficiary of school tax revenues. The District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future. As of the date of this financial statement, it is expected, due to the general state of the economy, that tax revenue sharing will not be forthcoming for a number of years.

### **Prospects for The Future**

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the District's total operating millage is 71.8 mills, the effective millage levied and collected is 27.36 and 35.89 respectively, for residential and commercial property.

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

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

The District hired a new superintendent, Richard A. Markwardt, Ph.D., in August of 2004. We are very confident in his leadership to steer us through these recently financially trying times.

### **Other Information**

#### *Independent Audit*

The Ohio Revised Code requires an annual audit of the District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the District's 2005 fiscal year audit. The Independent Accountants' Report appears at the beginning of the Financial Section of this report.

## *Beachwood City School District*

### *GFOA Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Beachwood City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. (This was the 17<sup>th</sup> consecutive year that the Beachwood City School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

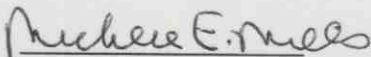
### Acknowledgments

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

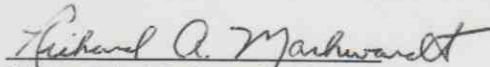
Sincere appreciation is extended to the Board of Education, who continues to strive for excellence in the schools at all levels. The commitment to our students, staff and community begins with them. Without their support, this report would not be possible.

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

Special recognition must be extended to the members of the Treasurer's Office: Patti Woods, Assistant Treasurer; April Yuhas, Payroll Coordinator, Karen Bencin, EMIS Coordinator, Barb Taich, Duplicating Coordinator, Kathleen Stroski, Purchasing Agent; and Greg Mintos, Financial Processing Coordinator; who assisted with the development of the Comprehensive Annual Financial Report and the annual audit. The department members have our sincere gratitude for their professional, efficient and dedicated service.



Michele E. Mills,  
Finance Director/Treasurer



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

*Beachwood City School District*

Elected Officials

Board of Education

Mr. Martin Horwitz..... President

Mr. David Ostro ..... Vice President

Mrs. Beth Rosenbaum..... Member

Dr. Scott Peters ..... Member

Dr. Brian Weiss..... Member

Appointed Officials

Director of Finance/Treasurer

Michele E. Mills

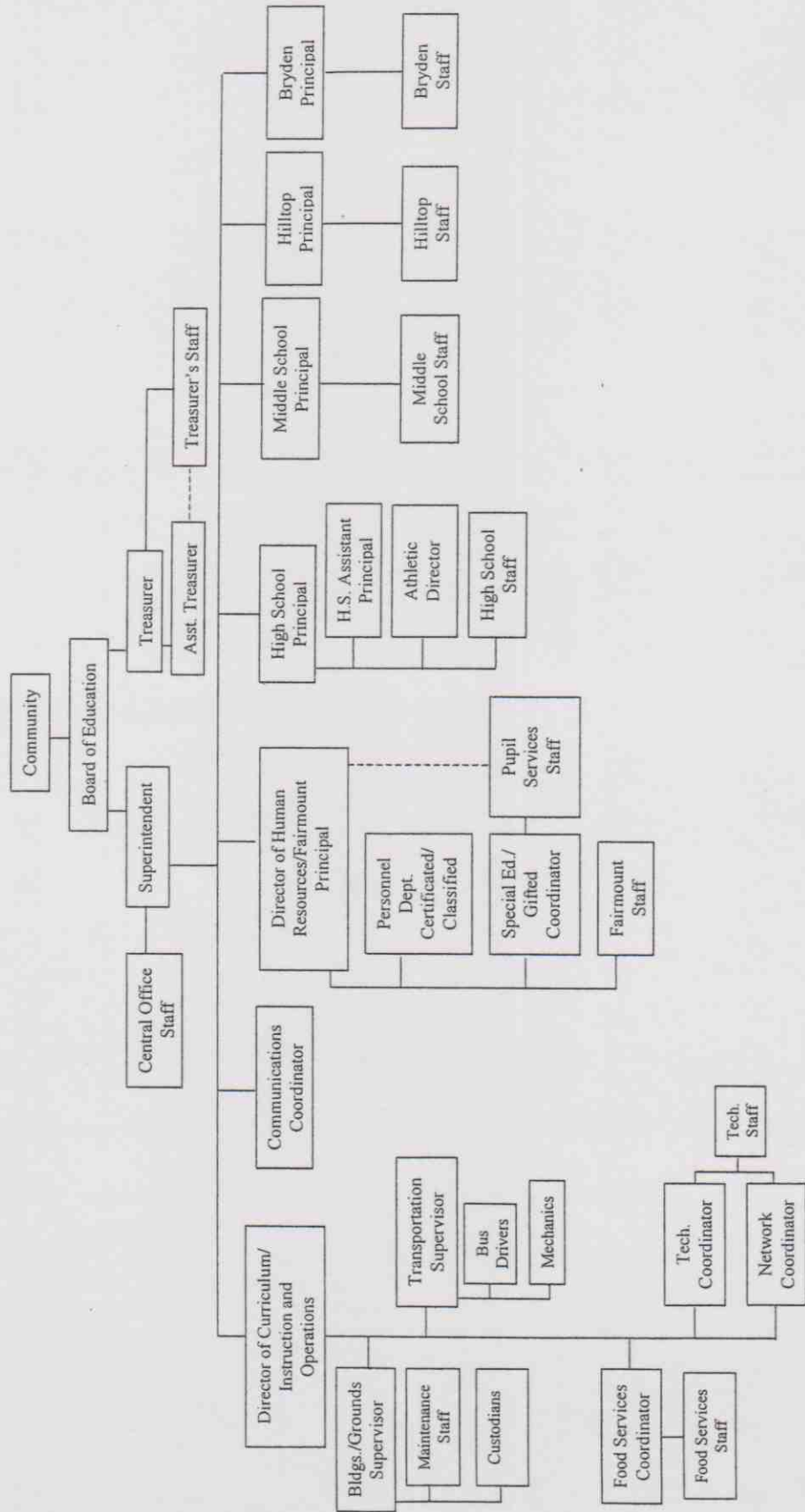
Administration

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

Dr. Rosemary Weltman..... Assistant Superintendent

Mr. Philip Wagner ..... Director of Pupil Services

# Beachwood City School District Organizational Chart – 2005



Policy No. 1101  
Revised & Adopted July 5, 2005

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Beachwood City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

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.



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director

*This page intentionally left blank*





## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2005, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparisons for the General and Consortium funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2005 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801  
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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



**Betty Montgomery**  
Auditor of State

November 23, 2005

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

---

---

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

Key financial highlights for 2005 are as follows:

- Total net assets increased \$1,702,261, which represents a 12.0 percent increase from 2004.
- General revenues accounted for \$29,682,436 in revenue or 82 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,560,493 or 18 percent of total revenues of \$36,242,929.
- Total assets of governmental activities decreased by \$360,216 as cash decreased by \$116,102, while capital assets decreased by \$701,794 due to very little activity and purchases of capital equipment and/or building projects and because depreciation expenses exceeded the additions to capital assets. Taxes and other receivables increased by \$464,289.
- The District had \$34,540,668 in expenses related to governmental activities; only \$6,560,493 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$29,682,436 were adequate to provide for these programs.
- Among major funds, the general fund had \$27,504,299 in operating revenues and \$27,462,681 in operating expenditures. The general fund's fund balance increased to \$3,688,215 from \$3,542,136. In the spring of 2005, the District passed a 5.9 mill operating levy which will begin collecting in January, 2006 which will increase revenues approximately \$3.5 million annually.

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

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

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

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

---

---

column. In the case of the Beachwood City School District, the general fund is by far the most significant fund.

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

*Statement of Net Assets and Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2005?" The Statement of Net Assets and Statement of Activities answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

*Fund Financial Statements*

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

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

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2005 compared to 2004:

	Governmental Activities	
	2005	2004
<b>Assets</b>		
Current and Other Assets	\$33,646,528	\$33,304,950
Capital Assets	31,664,968	32,366,762
Total Assets	65,311,496	65,671,712
<b>Liabilities</b>		
Long-Term Liabilities	23,680,373	25,588,780
Other Liabilities	25,729,747	25,883,817
Total Liabilities	49,410,120	51,472,597
<b>Net Assets</b>		
Invested in Capital Assets	10,745,501	9,336,218
Net of Debt		
Restricted	2,599,707	2,851,223
Unrestricted (Deficit)	2,556,168	2,011,674
Total Net Assets	\$15,901,376	\$14,199,115

Total assets decreased \$360,216. Equity in pooled cash and cash equivalents decreased \$116,102. Taxes receivable increased \$363,042.

Net assets of the District's governmental activities increased by \$1,702,261. The surplus in unrestricted net assets increased by \$544,494.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2005 with revenue and expense comparisons to fiscal year 2004.

	Governmental Activities 2005	Governmental Activities 2004
<b>Program Revenues:</b>		
Charges for Services	\$4,383,848	\$4,003,403
Operating Grants	2,169,613	1,421,420
Capital Grants	7,032	7,467
<b>General Revenue:</b>		
Property Taxes	25,593,578	27,811,470
Grants and Entitlements	3,916,894	4,549,844
Investments	139,814	125,271
Other	32,150	61,711
<b>Total Revenue</b>	<b>\$36,242,929</b>	<b>\$37,980,586</b>
<b>Program Expenses:</b>		
<b>Instruction:</b>		
Regular	\$11,054,568	\$10,041,085
Special	5,326,130	5,642,088
Vocational	989,488	924,719
Adult/Continuing	182,946	222,285
Other	542,440	528,364
<b>Support Services:</b>		
Pupil	3,003,113	2,916,828
Instructional Staff	792,912	999,100
Board of Education	392,751	424,172
Administration	2,307,273	2,467,679
Fiscal	784,491	748,653
Business	499,751	648,341
Operation of Maintenance and Plant	3,474,546	3,681,893
Pupil Transportation	1,787,938	1,984,406
Central	856,973	917,378
Operation of Non-Instructional Services	739,588	689,308
Extra-curricular Activities	942,705	957,096
Interest and Fiscal Charges/Other	863,055	937,935
<b>Total Expenses</b>	<b>\$34,540,668</b>	<b>\$34,731,330</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$1,702,261</b>	<b>\$3,249,256</b>
<b>Beginning Net Assets</b>	<b>14,199,115</b>	<b>10,949,859</b>
<b>Ending Net Assets</b>	<b>\$15,901,376</b>	<b>\$14,199,115</b>

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

**Governmental Activities**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and its value was increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 71 percent of revenues for governmental activities for the District in fiscal year 2005.

Instruction comprises 52.3 percent of governmental program expenses. Interest expense was 2.5 percent. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2004.

	Table 3 – Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2005	2005	2004	2004
Instruction	\$18,095,572	\$14,481,621	\$17,358,541	\$14,195,476
Support Services:				
Pupil and Instructional Staff	3,796,025	2,532,995	3,915,928	2,603,064
Board of Education, Administration, Fiscal and Business	3,984,266	3,859,559	4,288,845	4,248,961
Operation and Maintenance of Plant	3,474,546	3,223,942	3,681,893	3,428,056
Pupil Transportation	1,787,938	1,222,510	1,984,406	1,933,959
Central	856,973	794,608	917,378	847,672
Operation of Non-Instructional Services	739,588	152,029	689,308	213,587
Extracurricular Activities	942,705	849,856	957,096	890,330
Interest and Fiscal Charges/Other	863,055	863,055	937,935	937,935
Total Expenses	<u>\$34,540,668</u>	<u>\$27,980,175</u>	<u>\$34,731,330</u>	<u>\$29,299,040</u>

The dependence upon tax revenues for governmental activities is apparent. Over 61 percent of instruction activities are supported through taxes and other general revenues, for all governmental activities general revenue support is 86 percent. The community, as a whole, is by far the primary support for the District's students.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

---

**The School District's Funds**

Information about the District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$36,431,108 and expenditures of \$36,492,567. The net change in fund balance for the year was most significant in the building fund, a decline of \$385,041. This decrease is due to the building of the District's Middle School by spending down the remaining bond proceeds to complete this project. All other governmental funds had very slight increases as the District cut costs as revenues declined due to high delinquencies.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2005, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$1,485,487, less than the final budget estimates of \$27,821,768, due primarily to decreases in tax revenues.

There was one amendment to the original appropriations during fiscal year 2005.

The District's ending unobligated cash balance was \$305,118 above the final budgeted amount.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2005, the District had \$31,664,968 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See note 8 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2005 balances compared to 2004:

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

	Governmental Activities	
	2005	2004
Land	\$831,499	\$831,499
Land Improvements	1,852,441	1,771,126
Buildings and Improvements	27,520,791	28,266,463
Furniture and Equipment	987,639	1,100,581
Vehicles	472,598	392,218
Construction in Progress	0	4,875
Totals	\$31,664,968	\$32,366,762



Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

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

For fiscal year 2005, a change in Ohio law required school districts to set aside three percent of certain revenues for capital improvements and textbooks, respectively. For fiscal year 2005, this amounted to \$231,669 for each set aside. For fiscal year 2005, the District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2005, the set aside will remain three percent. The District has budgeted to meet these requirements.

**Debt**

At June 30, 2005, the District had \$20,085,022 in bonds and notes outstanding, \$2,050,000 due within one year. Table 5 summarizes bonds and notes outstanding. See note 14 to the basic financial statements for more detailed information on long-term debt activity.

Table 5 - Outstanding Debt, at Year End (In Millions)		
	Governmental Activities 2005	Governmental Activities 2004
<b>General Obligation Bonds</b>		
1992 Bus Financing Pool	\$0	\$30,000
2000 Tax Anticipation Notes	4,025,000	4,590,000
2002 School Improvement Premium	427,902	453,073
2002 Un-amortized Accounting Gain	166,691	175,952
2002 School Improvement Bonds	15,893,331	17,304,030
<b>Total</b>	<b>\$20,512,924</b>	<b>\$22,553,055</b>

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

At June 30, 2005, the District's overall legal debt margin was \$50,492,803 with an un-voted debt margin of \$739,470. The District maintains an Aa2 bond rating.

**For the Future**

The Beachwood City School District closed out its fiscal year on June 30, 2005 on a difficult note as the District instituted staff layoffs in order to stay within the appropriations approved by the Board of Education and spending less than anticipated for the year. The District reduced 25 full time equivalents at an annual savings of \$1.2 million.

The Board placed a 5.9 mill operating levy on the ballot in May, 2005 which will begin generating tax revenues in January, 2006. The levy will generate approximately \$3.5 million in property taxes, adjusted for delinquencies and refunds.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2005  
*Unaudited*

---

---

The District recently received a bond rating of Aa2 from Moody's Investor's Service for the new and all outstanding debt. This rating is among the highest of all school districts in Ohio.

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

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Michele Mills, Director of Finance/Treasurer at 216-464-8164 or E-mail at [mm@bw.beachwood.k12.oh.us](mailto:mm@bw.beachwood.k12.oh.us).

**Beachwood City Schools**  
*Statement of Net Assets*  
*June 30, 2005*

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$4,338,224
Materials and Supplies Inventory	89,257
Accrued Interest Receivable	4,226
Accounts Receivable	138,437
Property and Other Local Taxes Receivable	28,909,693
Noncurrent Assets:	
Deferred Charges	166,691
Non-Depreciable Capital Assets	831,499
Depreciable Capital Assets, net	30,833,469
<i>Total Assets</i>	<b>65,311,496</b>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	36,647
Accrued Wages and Benefits	2,698,722
Intergovernmental Payable	429,040
Undistributed Monies	9,630
Matured Bonds Payable	86,363
Deferred Revenue	22,469,345
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	2,662,960
Due in More Than One Year	21,017,413
<i>Total Liabilities</i>	<b>49,410,120</b>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	10,745,501
Restricted for Debt Service	1,801,050
Restricted for Capital Outlay	514,338
Restricted for Other Purposes	149,446
Restricted for Set Asides	134,873
Unrestricted	2,556,168
<i>Total Net Assets</i>	<b>\$15,901,376</b>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2005

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
Governmental Activities:				
Instruction:				
Regular	\$ 11,054,568	\$ 336,667	\$ 106,578	
Special	5,326,130	1,324,456	531,704	
Vocational	989,488	335,213	349,405	122
Adult/Continuing	182,946	173,326		
Other	542,440	456,480		
Support Services:				
Pupils	3,003,113	878,026	331,928	
Instructional Staff	792,912	2,586	50,490	
Board of Education	392,751			
Administration	2,307,273	15,232	6,505	
Fiscal	784,491	58,949		
Business	499,751	42,313	1,708	
Operation and Maintenance of Plant	3,474,546	250,604		
Pupil Transportation	1,787,938	70,677	487,841	6,910
Central	856,973	25,650	36,715	
Operation of Non-Instructional Services:				
Food Service Operations	499,156	326,338	29,677	
Community Services	240,432	882	230,662	
Extracurricular Activities	942,705	86,449	6,400	
Debt Service:				
Issuance Costs	9,261			
Interest and Fiscal Charges	853,794			
<i>Total Governmental Activities</i>	<u>34,540,668</u>	<u>4,383,848</u>	<u>2,169,613</u>	<u>7,032</u>
Totals				
<i>Totals</i>	<u>\$ 34,540,668</u>	<u>\$ 4,383,848</u>	<u>\$ 2,169,613</u>	<u>\$ 7,032</u>

General Revenues:

Grants and Entitlements not Restricted to Specific Programs  
Investment Earnings  
Miscellaneous  
Property and Other Local Taxes  
Tuition and Fees  
Customer Sales and Services

*Total General Revenues and Transfers and Property and Other Local Taxes*

*Change in Net Assets*

*Net Assets Beginning of Year*

*Net Assets End of Year*

See Accompanying Notes to the Basic Financial Statements

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

---

<b>Governmental Activities</b>	<b>Total</b>
\$ (10,611,323)	\$ (10,611,323)
(3,469,970)	(3,469,970)
(304,748)	(304,748)
(9,620)	(9,620)
(85,960)	(85,960)
(1,793,159)	(1,793,159)
(739,836)	(739,836)
(392,751)	(392,751)
(2,285,536)	(2,285,536)
(725,542)	(725,542)
(455,730)	(455,730)
(3,223,942)	(3,223,942)
(1,222,510)	(1,222,510)
(794,608)	(794,608)
(143,141)	(143,141)
(8,888)	(8,888)
(849,856)	(849,856)
(9,261)	(9,261)
<u>(853,794)</u>	<u>(853,794)</u>
<u>(27,980,175)</u>	<u>(27,980,175)</u>
<u>(27,980,175)</u>	<u>(27,980,175)</u>
3,916,894	3,916,894
139,814	139,814
1,777	1,777
25,593,578	25,593,578
27,912	27,912
<u>2,461</u>	<u>2,461</u>
<u>29,682,436</u>	<u>29,682,436</u>
1,702,261	1,702,261
<u>14,199,115</u>	<u>14,199,115</u>
<u>\$ 15,901,376</u>	<u>\$ 15,901,376</u>

**Beachwood City Schools**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2005*

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,130,688	\$ 1,117,639	\$ 24,577	\$ 294,766
Restricted Asset: Equity in Pooled Cash and Cash Equivalents	134,873			
Materials and Supplies Inventory	82,427			
Accrued Interest Receivable	4,226			
Accounts Receivable	3,104			
Interfund Receivable	690,067			
Property and Other Local Taxes Receivable	25,466,824	2,810,971	631,898	
<i>Total Assets</i>	<u>\$ 27,512,209</u>	<u>\$ 3,928,610</u>	<u>\$ 656,475</u>	<u>\$ 294,766</u>
<b>LIABILITIES:</b>				
Accounts Payable	20,292		420	
Accrued Wages and Benefits	2,329,365			
Interfund Payable				
Intergovernmental Payable	368,387			
Undistributed Monies				
Deferred Revenue	21,105,950	2,131,497	499,134	
General Obligation Bonds Payable		86,363		
<i>Total Liabilities</i>	<u>23,823,994</u>	<u>2,217,860</u>	<u>499,554</u>	<u>0</u>
<b>FUND BALANCES:</b>				
Reserved:				
Reserved for Encumbrances	302,596		17,794	262,374
Reserved for Inventory	82,427			
Reserved for Property Taxes	4,280,438	674,217	131,524	
Reserved for Budget Stabilization	134,873			
Unreserved, Undesignated, Reported in:				
General Fund	(1,112,119)			
Special Revenue Funds				
Debt Service Funds		1,036,533		
Capital Projects Funds			7,603	32,392
<i>Total Fund Balances</i>	<u>3,688,215</u>	<u>1,710,750</u>	<u>156,921</u>	<u>294,766</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 27,512,209</u>	<u>\$ 3,928,610</u>	<u>\$ 656,475</u>	<u>\$ 294,766</u>

See Accompanying Notes to the Basic Financial Statements

Consortium Fund	All Other Governmental Funds	Total Governmental Funds			
			Total Governmental Fund Balances	\$6,379,767	
\$ 1,146,494	\$ 387,325	\$ 4,101,489	<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>		
	6,830	134,873			
		89,257			
		4,226		Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:	
130,673	4,660	138,437		Nondepreciable capital assets	831,499
		690,067		Depreciable capital assets	30,833,469
		28,909,693			
<u>\$ 1,277,167</u>	<u>\$ 398,815</u>	<u>\$ 34,068,042</u>		Deferred charges (unamortized bond issuance costs) are not reported in the funds as an asset:	166,691
682	15,253	36,647		Deferred revenue, including delinquent property tax revenues, are not receivable in the current period and therefore, are not reported in the funds:	
304,706	64,651	2,698,722		Deferred revenue	1,268,461
690,067		690,067			
40,099	20,554	429,040	Long term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:		
	9,630	9,630	Due within one year	(2,662,960)	
	1,225	23,737,806	Due within more than one year	(21,017,413)	
		86,363			
<u>1,035,554</u>	<u>111,313</u>	<u>27,688,275</u>	Internal service funds are used by management to charge the vision expenses in the governmental activities in the Statement of Net Assets	<u>101,862</u>	
9,746	34,800	627,310	<b>Net Assets of Governmental Activities</b>	<b><u>\$15,901,376</u></b>	
		82,427			
		5,086,179			
		134,873			
		(1,112,119)			
231,867	252,702	484,569			
		1,036,533			
		39,995			
<u>241,613</u>	<u>287,502</u>	<u>6,379,767</u>			
<u>\$ 1,277,167</u>	<u>\$ 398,815</u>	<u>\$ 34,068,042</u>			

**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
For the Fiscal Year Ended June 30, 2005

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>	<u>Consortium Fund</u>
<b>REVENUES:</b>					
Property and Other Local Taxes	\$ 22,066,290	\$ 2,639,455	\$ 602,183		
Intergovernmental	4,240,745	326,762	117,795		638,570
Interest	127,141		403	12,477	
Decrease in Fair Value of Investments	(206)				
Tuition and Fees	534,739				2,126,472
Rent	248,509				
Extracurricular Activities					
Gifts and Donations	1,965				
Customer Sales and Services	215,474		2,582		27,156
Miscellaneous	69,642	15			
<i>Total Revenues</i>	<u>27,504,299</u>	<u>2,966,232</u>	<u>722,963</u>	<u>12,477</u>	<u>2,792,198</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	10,253,888			139,737	
Special	3,935,252				1,121,563
Vocational	264,372				665,108
Adult/Continuing					
Other	129,480				
<b>Support Services:</b>					
Pupils	1,830,224				1,005,032
Instructional Staff	729,777				
Board of Education	369,854				
Administration	2,277,630				
Fiscal	767,653				
Business	477,594				
Operation and Maintenance of Plant	3,009,407		405,947		
Pupil Transportation	1,657,586		162,968		
Central	1,029,920				495
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations					
Community Services					
Extracurricular Activities	730,044				
<b>Capital Outlay:</b>					
Architecture and Engineering Services				784	
Building Improvement Services				46,315	
Other Facilities Acquisition and Construction			142,498	210,682	
<b>Debt Service:</b>					
Principal		2,014,960			
Interest		878,965			
<i>Total Expenditures</i>	<u>27,462,681</u>	<u>2,893,925</u>	<u>711,413</u>	<u>397,518</u>	<u>2,792,198</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>41,618</u>	<u>72,307</u>	<u>11,550</u>	<u>(385,041)</u>	<u>0</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In					
Proceeds from Sale of Capital Assets	41,632				
Inception of Capital Lease	268,329				
Transfers Out	(205,500)				
<i>Total Other Financing Sources and Uses</i>	<u>104,461</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	146,079	72,307	11,550	(385,041)	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	3,542,136	1,638,443	145,371	679,807	241,613
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 3,688,215</u>	<u>\$ 1,710,750</u>	<u>\$ 156,921</u>	<u>\$ 294,766</u>	<u>\$ 241,613</u>

See Accompanying Notes to the Basic Financial Statements



<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
	\$ 25,307,928	Net change in Fund Balances - Total Governmental Funds	(\$61,459)
769,589	6,093,461		
1,159	141,180	Amounts reported for governmental activities in the Statement of Activities are different because:	
	(206)		
460,139	3,121,350	Governmental Funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over the estimated useful lives of the assets as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
86,449	248,509		
38,860	86,449		
559,251	40,825		
2,031	804,463		
2,031	71,688		
<u>1,917,478</u>	<u>35,915,647</u>	Capital Outlay	1,017,566
		Depreciation	<u>(1,719,360)</u>
		Total	(701,794)
		Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
29,176	10,422,801		
179,310	5,236,125	Property Taxes	285,650
2,614	932,094		
183,126	183,126	The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,111,077
396,930	526,410		
239,128	3,074,384		
58,418	788,195	The internal service funds are used by management and are not reported in the government-wide Statements of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated The net revenue (expense) of the internal service fund is allocated among governmental activities.	(14,319)
	369,854		
13,670	2,291,300		
1,353	769,006	Compensated absences reported in the Statement of activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	83,106
1,708	479,302		
	3,415,354		
629	1,821,183	Changes in Net Assets of Governmental Activities	<u>1,702,261</u>
47,337	1,077,752		
451,918	451,918		
242,945	242,945		
181,070	911,114		
	784		
	46,315		
	353,180		
	2,014,960		
	878,965		
<u>2,029,332</u>	<u>36,287,067</u>		
(111,854)	(371,420)		
205,500	205,500		
	41,632		
	268,329		
	(205,500)		
<u>205,500</u>	<u>309,961</u>		
93,646	(61,459)		
193,856	6,441,226		
<u>\$ 287,502</u>	<u>\$ 6,379,767</u>		

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 23,638,346	\$ 22,069,279	\$ 22,322,798	\$ 253,519
Intergovernmental	4,490,665	4,194,705	4,240,745	46,040
Interest	151,020	110,000	142,615	32,615
Tuition and Fees	459,661	895,074	434,079	(460,995)
Rent	263,154	255,020	248,509	(6,511)
Gifts and Donations	2,081	2,000	1,965	(35)
Customer Sales and Services	228,173	226,125	215,474	(10,651)
Miscellaneous	74,155	69,565	70,028	463
<b>Total Revenues</b>	<u>29,307,255</u>	<u>27,821,768</u>	<u>27,676,213</u>	<u>(145,555)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	10,897,772	10,401,488	10,282,689	118,799
Special	3,714,875	4,297,555	4,224,453	73,102
Vocational	184,914	313,514	301,858	11,656
Other	83,100	133,940	129,480	4,460
<b>Support Services:</b>				
Pupils	1,713,361	1,834,861	1,800,438	34,423
Instructional Staff	903,862	805,967	745,351	60,616
Board of Education	313,167	416,763	412,013	4,750
Administration	2,645,074	2,306,056	2,263,463	42,593
Fiscal	746,601	777,601	774,753	2,848
Business	616,245	548,197	536,023	12,174
Operation and Maintenance of Plant	3,540,803	3,193,108	3,024,351	168,757
Pupil Transportation	1,714,499	1,693,404	1,682,548	10,856
Central	966,846	813,226	785,803	27,423
<b>Extracurricular Activities:</b>				
Academic Oriented Activities	84,213	109,413	109,206	207
Sport Oriented Activities	513,016	586,216	585,356	860
School and Public Service Co-Curricular Activities	39,240	34,240	33,402	838
<b>Total Expenditures</b>	<u>28,677,588</u>	<u>28,265,549</u>	<u>27,691,187</u>	<u>574,362</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>629,667</u>	<u>(443,781)</u>	<u>(14,974)</u>	<u>428,807</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	27,299	123,724	0	(123,724)
Proceeds from Sale of Capital Assets	44,085	41,600	41,632	32
Transfers Out	(326,780)	(205,503)	(205,500)	3
Advances Out	(25,000)	0	0	0
<b>Total Other Financing Sources and Uses</b>	<u>(280,396)</u>	<u>(40,179)</u>	<u>(163,868)</u>	<u>(123,689)</u>
<b>Net Change in Fund Balances</b>	349,271	(483,960)	(178,842)	305,118
<b>Fund Balance (Deficit) at Beginning of Year</b>	869,519	869,519	869,519	0
<b>Prior Year Encumbrances Appropriated</b>	244,582	244,582	244,582	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,463,372</u>	<u>\$ 630,141</u>	<u>\$ 935,259</u>	<u>\$ 305,118</u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Consortium Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 700,926	\$ 568,169	\$ 638,570	\$ 70,401
Tuition and Fees	1,855,000	1,545,000	1,996,857	451,857
Customer Sales and Services	26,000	21,000	27,156	6,156
<b>Total Revenues</b>	<u>2,581,926</u>	<u>2,134,169</u>	<u>2,662,583</u>	<u>528,414</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Special	1,242,087	1,219,722	1,059,598	160,124
Vocational	770,586	764,186	608,799	155,387
Support Services:				
Pupils	1,151,344	1,156,709	1,025,962	130,747
Central	1,516	1,516	495	1,021
<b>Total Expenditures</b>	<u>3,165,533</u>	<u>3,142,133</u>	<u>2,694,854</u>	<u>447,279</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(583,607)</u>	<u>(1,007,964)</u>	<u>(32,271)</u>	<u>975,693</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Advances In	180,000	0	0	0
Transfers Out	0	(3,264)	0	3,264
<b>Total Other Financing Sources and Uses</b>	<u>180,000</u>	<u>(3,264)</u>	<u>0</u>	<u>3,264</u>
<b>Net Change in Fund Balances</b>	(403,607)	(1,011,228)	(32,271)	978,957
<b>Fund Balance (Deficit) at Beginning of Year</b>	1,162,084	1,162,084	1,162,084	0
<b>Prior Year Encumbrances Appropriated</b>	<u>6,248</u>	<u>6,248</u>	<u>6,248</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 764,725</u>	<u>\$ 157,104</u>	<u>\$ 1,136,061</u>	<u>\$ 978,957</u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Fund Net Assets*  
*Proprietary Fund*  
*June 30, 2005*

---

---

	<b>Governmental Activities - Internal Service Funds</b>
	<hr/>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$    101,862
<i>Total Current Assets</i>	<hr/> 101,862
<i>Total Assets</i>	<hr/> 101,862
NET ASSETS:	
Unrestricted	<hr/> 101,862
<i>Total Net Assets</i>	<hr/> <hr/> \$    101,862

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<b>Governmental Activities - Internal Service Funds</b>
OPERATING REVENUES:	
Other Revenues	\$ 60,000
<i>Total Operating Revenues</i>	60,000
OPERATING EXPENSES:	
Claims	74,319
<i>Total Operating Expenses</i>	74,319
<i>Operating Income (Loss)</i>	(14,319)
<i>Net Change in Net Assets</i>	(14,319)
<i>Net Assets at Beginning of Year</i>	116,181
<i>Net Assets at End of Year</i>	\$ 101,862

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2005

	<u>Governmental Activities - Internal Service Fund</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash received from self insurance premiums	\$ 60,000
Cash payments for other expenses	<u>(74,319)</u>
Net cash provided by (used for) Operating Activities	<u>(14,319)</u>
Net decrease in Cash and Cash Equivalents	<u>(14,319)</u>
Cash and Cash Equivalents - Beginning of Year	<u>116,181</u>
Cash and Cash Equivalents - End of Year	<u><u>\$101,862</u></u>
Reconciliation of Operating (loss) to Net Cash (used by) Operating activities:	
Operating (Loss)	<u>(14,319)</u>
Net cash (used for) operating activities	<u><u>\$ (14,319)</u></u>

See Accompanying Note to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Fund*  
*June 30, 2005*

---

---

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 536,685
<i>Total Current Assets</i>	<u>536,685</u>
<i>Total Assets</i>	<u><u>536,685</u></u>
LIABILITIES:	
Current Liabilities:	
Undistributed Monies	480,126
Due to Students	<u>56,559</u>
<i>Total Current Liabilities</i>	<u>536,685</u>
<i>Total Liabilities</i>	<u><u>\$ 536,685</u></u>

See Accompanying Notes to the Basic Financial Statements

*This page intentionally left blank*



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

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

The Board controls the District’s five instructional facilities and one support facility staffed by 182 certificated teaching personnel, 188 non-certificated support personnel and 13 administrators.

The District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the District during the 2005 fiscal year was 1,605. The District operates three elementary schools, a middle school, and a high school.

**Reporting Entity**

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

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

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are presented respectively in Note 16 and Note 10B to the financial statements. These organizations are:

Jointly Governed Organizations:

Ohio Schools’ Council Association  
Lake Geauga Computer Association.

Public Entity Risk Pool:

Sheakley Uniservice, Inc. Worker’s Compensation Group Rating Program

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

The financial statements of Beachwood City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

**A. Basis of Presentation**

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

**B. Fund Accounting**

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

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

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

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

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

**Building Capital Project Fund** - The building capital project fund accounts for all transactions related to the acquiring, constructing, or improving facilities.

**Consortium Fund** - The consortium fund accounts for services to other Districts for vocational training programs and for the multi-handicapped and educating deaf and hearing-impaired children on a cost-reimbursement basis.

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

**C. Measurement Focus**

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

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

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

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

**D. Basis of Accounting**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. See note 6. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**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 June 30, 2005, but which were levied to finance fiscal year 2006 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.

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

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

**E. Budgetary Data**

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level.

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

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

#### Encumbrances

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

#### Lapsing of Appropriations

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

#### **F. Cash and Investments**

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

During fiscal year 2005, investments were limited to demand deposits, certificates of deposit, Victory Federal Money Market, federal agency discount notes, treasury bills and STAROhio.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

Beachwood City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows government within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2005 amounted to \$127,141, which includes \$84,965 assigned from other School District funds.

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

### **G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

### **H. Inventory**

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

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

### **I. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

legislation. By Statute, money must be set aside to create a reserve for budget stabilization. Restricted assets in the General Fund include the amount required by State statute to be set aside for budget stabilization. See note 15 for additional information regarding set-asides.

**J. Capital Assets**

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

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

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

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

**K. Inter-fund Balances**

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

**L. Compensated Absences**

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



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

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

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

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

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

**N. Net Assets**

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

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

**O. Fund Balance Reserves and Designations**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

**P. Operating Revenues and Expenses**

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

**Q. Inter-fund Transactions**

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

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

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2005.

**S. Estimates**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

**Note 3 – Change in Accounting Principle**

**A. Changes in Accounting Principles**

For fiscal year 2005, the School District implemented GASB Statement No. 39 “Determining Whether Certain Organizations are Component Units”, GASB Statement No. 40 “Deposit and Investment Risk Disclosures”, GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section”, GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Technical Bulletin No. 2004-2 “Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers.

GASB Statement No. 39 states that entities for which a primary organization is not financially accountable may still be reported as a component unit based on the nature and significance of their relationship with the primary government.

GASB Statement No. 40 establishes disclosure requirements for investment credit risk, interest rate risk, deposit custodial risk and foreign currency risk.

GASB Statement No. 46 clarifies when net assets should be restricted based on enabling legislation.

GASB Technical Bulletin No, 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

Implementation of GASB Statement No. 39, GASB Statement No 46 and GASB Technical Bulletin No, 2004-2 did not affect the presentation of the basic financial statements of the School District.

**Note 4 - Budgetary Basis of Accounting**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

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

Net Change in Fund Balance

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$146,079	\$0
Net adjustments for revenue accruals	(96,415)	(129,615)
Net adjustments for expenditure accruals	87,491	107,773
Encumbrances Outstanding at Year End (Budget Basis)	<u>(315,997)</u>	<u>(10,429)</u>
Budget Basis	<u>\$(178,842)</u>	<u>\$(32,271)</u>

**Note 5 - Deposits and Investments**

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

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

the repayment of all public monies deposited with the institution.  
Interim monies may be invested in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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".

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

**Cash on Hand**

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

**Deposits**

At fiscal year end, the carrying amount of the School District’s deposits was \$2,842,946. Based on the criteria described in GASB 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2005, \$2,946,639 of the District’s bank balance of \$3,361,488 was exposed to custodial risk as discussed below, while \$414,849 was covered by Federal Deposit Insurance Corporation. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**Investments**

As of June 30, 2005, the School District had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity
Federal Home Loan Mortgage Corp. Disc notes	\$491,203	07/07/05
Federal National Mortgage Assn. Bonds	499,856	12/30/05
Victory Federal Money Market Account	201,294	1 day
Star Ohio	834,410	33 days
GASB Statement No. 3	\$2,026,763	

**Interest Rate Risk**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

**Credit Risk**

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

**Custodial Credit Risk**

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

**Concentration of Credit Risk**

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Victory Federal Money Market account, the Federal Home Loan Mortgage Discount Notes and the Federal National Mortgage Association Bonds represents 9.9%, 24.2% and 24.6% respectively, of the School District's total investments.

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the school district. Real property tax revenue received in calendar year 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 become a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The Cuyahoga County Treasurer collects property taxes on behalf of the District. The County Auditors periodically advance to the School District its portion of the taxes collected. These tax “advances” are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the Counties by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2005 was \$4,280,438 for the General Fund, \$674,217 in the Bond Retirement Fund, and \$131,524 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second- Half Collections		2005 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$329,036,850	43.57%	\$329,378,280	44.54%
Industrial/Commercial	353,236,790	46.78	342,825,810	46.36
Public Utility	13,265,590	1.76	14,763,570	2.00
Tangible Personal	59,598,455	7.89	52,508,168	7.10
Total Assessed Value	<u>\$755,137,685</u>	<u>100.00%</u>	<u>\$739,475,828</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$77.50		\$77.60	



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

**Note 7 - Receivables**

Receivables at June 30, 2005, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance at 6/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/05</u>
Governmental Activities Capital Assets, not being depreciated:				
Land	\$831,499	\$0	\$0	\$831,499
Construction in progress	<u>4,875</u>	<u>0</u>	<u>4,875</u>	<u>0</u>
Capital Assets, being depreciated:				
Land Improvements	2,422,111	167,681	0	2,589,792
Buildings and Buildings Improvements	37,825,419	237,046	0	38,062,465
Vehicles	1,616,968	289,272	302,712	1,603,528
Equipment	<u>4,516,773</u>	<u>345,055</u>	<u>47,238</u>	<u>4,814,590</u>
Totals at Historical Cost	<u>46,381,271</u>	<u>1,039,054</u>	<u>349,950</u>	<u>47,070,375</u>
Less Accumulated Depreciation:				
Land Improvements	650,985	86,366	0	737,351
Buildings and Building Improvements	9,558,956	982,718	0	10,541,674
Vehicles	1,224,750	193,991	287,811	1,130,930
Equipment	<u>3,416,192</u>	<u>456,285</u>	<u>45,526</u>	<u>3,826,951</u>
Total Accumulated Depreciation	<u>14,850,883</u>	<u>1,719,360</u>	<u>333,337</u>	<u>16,236,906</u>
Total Capital Assets, being Depreciated, Net	<u>31,530,388</u>	<u>(680,306)</u>	<u>16,613</u>	<u>30,833,469</u>
Governmental Activities Capital Assets, Net	<u><u>\$32,366,762</u></u>	<u><u>(\$680,306)</u></u>	<u><u>\$21,488</u></u>	<u><u>\$31,664,968</u></u>

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$832,581
Special	42,367
Adult	1,025
Vocational	21,321
Other	16,144
Support Services:	
Pupil	15,651
Instructional Staff	61,463
Board of Education	22,844
Administration	27,168
Fiscal	4,860
Business	7,943
Operation and Maintenance of Plant	113,968
Pupil Transportation	208,627
Central	244,109
Extra-curricular activities	40,541
Food service operations	53,260
Community	<u>5,490</u>
 Total Depreciation Expense	 <u><u>\$1,719,362</u></u>

**Note 9 – Inter-fund Transactions**

As of June 30, 2005, on the fund financial statements, the Consortium fund owed the General Fund \$690,067.

During the year ended June 30, 2005, the General Fund transferred \$205,500 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 10 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2005, the School District contracted with Indiana Insurance for property, general liability insurance and boiler and machinery coverage in the amounts of \$55,822,362, \$2,000,000, and \$30,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

Umbrella Liability insurance and Excess Umbrella Liability insurance are covered by Indiana Insurance and Crum & Forster with a \$10,000,000 single occurrence limit on both policies and no deductibles unless a claim doesn't fall under an underlying policy which would create the need for a \$10,000 self insured retainer. Vehicles are also covered

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

by Indiana Insurance and have a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit, \$5,000 medical payments, and \$50,000 uninsured motorists. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

**B. Worker's Compensation**

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

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

**C. Employee Medical Benefits**

The School District provides employee medical, surgical, prescription drug and dental coverage through Medical Mutual.

The School District is self insured for vision claims of District employees and their covered dependents. Under the program, the School District is obligated for claim payments. During fiscal year 2005, total claims expense of \$74,319 was recognized, which represents actual claims processed and paid as of June 30, 2005. Individual funds are charged for medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund. Changes for the aggregate liability for claims for the current and past fiscal years are as follows:

	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2003	\$0	\$86,955	\$86,955	\$0
2004	\$0	\$88,632	\$88,632	\$0
2005	\$0	\$74,319	\$74,319	\$0

**Note 11 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476, or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$650,581, \$599,637 and \$531,459 respectively; 57 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

**B. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2004, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,656,428, \$1,726,953 and \$1,691,331 respectively; 83 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$21,710.52 made by the School District and \$34,935.05 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System of the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2005, two members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 12 – Post-employment Benefits**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

STRS retirees who participate in the defined benefit or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the Fiscal Year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$127,418 during the 2005 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004 (the latest information available), the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For this fiscal year June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400. For the School District, the amount fo fund health care benefits, including surcharge, during the 2005 fiscal year equaled \$257,810.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million.

At June 30, 2004 (the latest information available) SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

**Note 13 - Employee Benefits**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn up to twenty days of vacation per year, depending upon length of service. Vacation days are credited to classified employees

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

as earned, and must be used within the next 24 months. Accumulated unused vacation time is paid to classified employees upon termination of employment up to a maximum of forty days. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement at rates ranging from 30% to 36% depending on an employee's classification. Certain employees with sick time balances exceeding 250 days shall receive 1/12 of the total accumulated days over 250 according to the negotiated agreement. The number of unused sick days, which can accumulate is restricted for certain employees.

**B. Health Care Benefits**

The School District provides employee medical, surgical, prescription drug and dental coverage through Medical Mutual. The School District is self-insured for vision claims of District employees and their covered dependents.

**Note 14 – Long-Term Obligations**

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

	Principal Outstanding <u>06/30/04</u>	Additions	Reduction	Principal Outstanding <u>06/30/05</u>	Amounts Due in One Year
<b>Governmental Activities</b>					
Long-Term Notes Payable					
2000 Tax Anticipation Notes 4.8%- 5.3%	\$4,590,000	\$0	\$565,000	\$4,025,000	\$590,000
Total Long-Term Notes Payable	<u>4,590,000</u>	<u>0</u>	<u>565,000</u>	<u>4,025,000</u>	<u>590,000</u>
<b>General Obligation Bonds</b>					
1997 Bus Financing Pool 5.0%-5.84%	30,000	0	30,000	0	0
2002 School Improvement Premium	453,073	0	25,171	427,902	25,171
2002 Unamortized Accounting Gain	175,952	0	9,261	166,691	9,261
2002 School Improvement 2.0%- 5.25%	<u>17,304,030</u>	<u>0</u>	<u>1,410,699</u>	<u>15,893,331</u>	<u>1,450,739</u>
Total General Obligation Bonds	<u>17,963,055</u>	<u>0</u>	<u>1,475,131</u>	<u>16,487,924</u>	<u>1,485,171</u>
Capital Lease	468,228	268,329	348,536	388,021	303,318
Compensated Absences Payable	2,862,534	140,658	223,764	2,779,428	284,471
Total Governmental Long-Term Liabilities	<u>3,330,762</u>	<u>408,987</u>	<u>572,300</u>	<u>3,167,449</u>	<u>587,789</u>
Total Long-Term Liabilities	<u>\$25,883,817</u>	<u>\$408,987</u>	<u>\$2,612,431</u>	<u>\$23,680,373</u>	<u>\$2,662,960</u>

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

**Long-Term Tax Anticipation Notes** In February, 1998, the School District issued \$1,600,000 tax anticipation notes with an interest rate of 3.85%, maturity date on December 1, 2002. On June 29, 2000, the School District issued \$ 6,000,000, 4.8%-5.3% tax anticipation notes maturing on December 1, 2010. These tax anticipation notes were issued to fund various school improvements and will be paid from property taxes.

**General Obligation Bonds** The School District issued \$448,000, 5.0-5.84 percent general obligation bonds maturing on April 15, 2005 for the purpose of bus financing pool. On May 1, 1991, the School District issued \$6,000,000 general obligation bonds with an interest rate of 4.8-7.05 percent, maturity date on December 1, 2006 for the purpose of school improvement. These bonds were advanced refunded and re-issued along with the new general obligation bonds that were issued on November 1, 2002. The District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. A portion of the general obligation bond proceeds were used to refund \$3,065,000 of the 1991 various improvement bonds.

All bonds outstanding are general obligation of the District for which the full faith and credit of the District are pledged for repayment. General obligation bonds are to be repaid from a current 3.0 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Debt Service Fund.

**Capital Leases** During fiscal year 2004, the District entered into a capital lease for computers in the amount of \$583,199 at an interest rate of 5.33%. During fiscal year 2005, the District entered into a capital lease for computers in the amount of \$268,329 at an interest rate of 3.18%. The District paid \$94,473 during 2005 for the computer lease, which included \$94,473 in principal. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net assets. The capital lease will be repaid from the Building fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2005.

Fiscal Year Beginning June 30	<u>Governmental Activities</u>		
	General Fund	Building	Total
2006	\$115,899	\$193,262	\$309,161
2007	87,362	0	87,362
Total Minimum Lease Payments	<u>\$203,261</u>	<u>\$193,262</u>	<u>\$396,523</u>
Less Amount Representing Interest	<u>(7,978)</u>	<u>(525)</u>	<u>(8,503)</u>
Present Value of Lease Payments	<u>\$195,283</u>	<u>\$192,737</u>	<u>\$388,020</u>
Capital Assets at Cost:	\$482,602	\$583,199	\$1,065,801
Less: Accumulated Depreciation	<u>(182,230)</u>	<u>(233,280)</u>	<u>(415,510)</u>
Net Book Value	<u>\$300,372</u>	<u>\$349,919</u>	<u>\$650,291</u>



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

Premium Bonds will be amortized over twenty years. Compensated absences will be paid from the funds from which the employee's salaries are paid.

The School District's overall voted debt margin was \$50,492,803 with an un-voted debt margin of \$739,476 at June 30, 2005.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2005, were as follows:

Fiscal Year Ending June 30, 2005	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$590,000	\$193,693	\$1,460,040	\$620,610	\$303,350	\$5,811	\$2,353,390	\$820,114
2007	620,000	162,985	1,239,998	846,677	84,670	2,692	1,944,668	1,012,354
2008	650,000	130,438	399,984	833,816			1,049,984	964,254
2009	685,000	95,890	645,000	579,124			1,330,000	675,014
2010	720,000	59,180	665,000	558,478			1,385,000	617,658
2011-2015	760,000	20,140	3,710,000	2,402,004			4,470,000	2,422,144
2016-2022	0	0	7,940,000	1,796,353			7,940,000	1,796,353
Total	<u>\$4,025,000</u>	<u>\$662,326</u>	<u>\$16,060,022</u>	<u>\$7,637,062</u>	<u>\$388,020</u>	<u>\$8,503</u>	<u>\$20,473,042</u>	<u>\$8,307,891</u>

**Note 15 - Set-Asides**

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

The following cash basis information identifies the changes in the year-end set-aside amounts for textbooks, capital improvements, and budget stabilization during fiscal year 2005. Disclosure of this information is required by State Statute.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside Reserve Balances as of June 30, 2004	\$0	\$0	\$134,873
Set-aside Balance Carried Forward	(1,560,359)	0	0
Current Year Set-Aside Requirement	231,669	231,669	0
Qualifying Disbursement	(481,916)	(1,120,936)	0
Total	(\$1,810,606)	(\$889,267)	\$134,873
Set-aside Balance Carried Forward to future fiscal years	(\$1,810,606)	\$0	\$0
Set-aside Reserve Balance as of June 30, 2005	\$0	\$0	\$134,873

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

**Note 16 – Jointly Governed Organizations**

*Ohio Schools' Council Association* - The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2005, the School District paid \$738,151 to the Council. Financial information can be obtained by contacting Dave Cotrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electricity purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005

---

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

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

*Lake Geauga Computer Association* - The Lake Geauga Computer Association ("LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$65,450 to LGCA during fiscal year 2005.

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

**Note 17 - Contingencies**

***A. Grants***

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

***B. Litigation***

The School District was named as a defendant in several court cases during the period ended June 30, 2005. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further that the School District has adequate insurance coverage to protect itself against any material loss.

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

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

### Nonmajor Capital Projects Fund

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

School Net – This fund is used to account for monies received by the State of Ohio for the purpose of purchasing computers for grades K-4.

### Nonmajor Special Revenue Funds

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

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

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

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

Adult Education - This fund accounts for the financial transactions of adult education classes provided by the District.

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

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

Miscellaneous Local Grants - These funds are used to develop a Business/Education Partnership program to serve a consortium of eight suburban school districts, and to encourage students to become interested in the teaching profession funds provided by the Board of Education to develop a program for employees to improve the quality of work-life within the District.

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

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

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

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

Entry Year Teacher Grant – These funds are provided by the State to be used to implement entry-year programs.

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

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

(continued)

## Nonmajor Special Revenue Funds (continued)

Student Reading Intervention Grant – this fund is used to account for monies spent to improve reading outcomes in grades one through four.

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

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

Title V - This Fund accounts for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.

Emergency Immigrant Education - This fund is to account for money used to educate immigrant children enrolled at Beachwood.

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

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

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

Local Professional Development Grant – These monies are used for Local Professional Development Activities.

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

Title II-D – The purpose of this fund is to provide educational technology.

## Nonmajor Proprietary Fund

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

### Internal Service Fund

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

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

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2005*

	<u>Non major Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 12,495	\$ 374,830	\$ 387,325
Materials and Supplies Inventory		6,830	6,830
Accounts Receivable		4,660	4,660
<i>Total Assets</i>	<u>\$ 12,495</u>	<u>\$ 386,320</u>	<u>\$ 398,815</u>
<b>LIABILITIES:</b>			
Accounts Payable	12,495	2,758	15,253
Accrued Wages and Benefits		64,651	64,651
Intergovernmental Payable		20,554	20,554
Undistributed Monies		9,630	9,630
Deferred Revenue		1,225	1,225
<i>Total Liabilities</i>	<u>12,495</u>	<u>98,818</u>	<u>111,313</u>
Equity:			
<b>FUND BALANCES:</b>			
Reserved:			
Reserved for Encumbrances	0	34,800	34,800
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	0	252,702	252,702
<i>Total Fund Balances</i>	<u>0</u>	<u>287,502</u>	<u>287,502</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 12,495</u>	<u>\$ 386,320</u>	<u>\$ 398,815</u>

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Nonmajor Capital Projects</u>	<u>Nonmajor Special Revenue</u>	<u>Total</u>
<b>REVENUES:</b>			
Intergovernmental	\$12,495	\$757,094	\$769,589
Interest		1,159	1,159
Tuition and Fees		460,139	460,139
Extracurricular Activities		86,449	86,449
Gifts and Donations		38,860	38,860
Customer Sales and Services		559,251	559,251
Miscellaneous		2,031	2,031
<i>Total Revenues</i>	<u>12,495</u>	<u>1,904,983</u>	<u>1,917,478</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular		29,176	29,176
Special		179,310	179,310
Vocational		2,614	2,614
Adult/Continuing		183,126	183,126
Other		396,930	396,930
Support Services:			
Pupils		239,128	239,128
Instructional Staff		58,418	58,418
Administration		13,670	13,670
Fiscal		1,353	1,353
Business		1,708	1,708
Pupil Transportation		629	629
Central	12,495	34,842	47,337
Operation of Non-Instructional Services:			
Food Service Operations		451,918	451,918
Community Services		242,945	242,945
Extracurricular Activities		2,007	2,007
Extracurricular Activities:			
Academic Oriented Activities		65,105	65,105
Sport Oriented Activities		113,958	113,958
<i>Total Expenditures</i>	<u>12,495</u>	<u>2,016,837</u>	<u>2,029,332</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(111,854)</u>	<u>(111,854)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	<u>0</u>	<u>205,500</u>	<u>205,500</u>
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>205,500</u>	<u>205,500</u>
<i>Net Change in Fund Balances</i>		93,646	93,646
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>193,856</u>	<u>193,856</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$287,502</u>	<u>\$287,502</u>

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Fund*  
*June 30, 2005*

	<b>School Net</b>	<b>Total Nonmajor Capital Projects</b>
<b>ASSETS:</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 12,495	\$ 12,495
<i>Total Assets</i>	\$ 12,495	\$ 12,495
<b>LIABILITIES:</b>		
Accounts Payable	12,495	12,495
<i>Total Liabilities</i>	12,495	12,495
Equity:		
<b>FUND BALANCES:</b>		
Unreserved, Undesignated, Reported in:		
Capital Projects Funds	0	0
<i>Total Fund Balances</i>	0	0
<i>Total Liabilities and Fund Balances</i>	\$ 12,495	\$ 12,495



**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Service Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>School Net</u>	<u>Total Nonmajor Capital Projects Fund</u>
REVENUES:		
Intergovernmental	<u>\$12,495</u>	<u>\$12,495</u>
<i>Total Revenues</i>	<u>12,495</u>	<u>12,495</u>
EXPENDITURES:		
Current:		
Support Services:		
Central	<u>12,495</u>	<u>12,495</u>
<i>Total Expenditures</i>	<u>12,495</u>	<u>12,495</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$0</u>

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2005*

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Adult Education</u>	<u>Recreation</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$27,083	\$12,692	\$1,493	\$2,259	\$59,780
Materials and Supplies Inventory	6,830				
Accounts Receivable	4,365				295
<i>Total Assets</i>	<u>\$38,278</u>	<u>\$12,692</u>	<u>\$1,493</u>	<u>\$2,259</u>	<u>\$60,075</u>
<b>LIABILITIES:</b>					
Accounts Payable					387
Accrued Wages and Benefits	27,782				3,527
Intergovernmental Payable	4,783				1,195
Undistributed Monies		9,630			
Deferred Revenue	1,225				
<i>Total Liabilities</i>	<u>33,790</u>	<u>9,630</u>	<u>0</u>	<u>0</u>	<u>5,109</u>
Equity:					
<b>FUND BALANCES:</b>					
Reserved:					
Reserved for Encumbrances	381				2,630
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	4,107	3,062	1,493	2,259	52,336
<i>Total Fund Balances</i>	<u>4,488</u>	<u>3,062</u>	<u>1,493</u>	<u>2,259</u>	<u>54,966</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$38,278</u>	<u>\$12,692</u>	<u>\$1,493</u>	<u>\$2,259</u>	<u>\$60,075</u>

(continued)

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>
\$65,240	\$21,692	\$106,989	\$16,481	\$17,869	\$1,568	\$1,112
<u>\$65,240</u>	<u>\$21,692</u>	<u>\$106,989</u>	<u>\$16,481</u>	<u>\$17,869</u>	<u>\$1,568</u>	<u>\$1,112</u>
		14	2,007			
		17,360		5,717		
		10,513		942		
<u>0</u>	<u>0</u>	<u>27,887</u>	<u>2,007</u>	<u>6,659</u>	<u>0</u>	<u>0</u>
3,344		605		11,249		
<u>61,896</u>	<u>21,692</u>	<u>78,497</u>	<u>14,474</u>	<u>(39)</u>	<u>1,568</u>	<u>1,112</u>
<u>65,240</u>	<u>21,692</u>	<u>79,102</u>	<u>14,474</u>	<u>11,210</u>	<u>1,568</u>	<u>1,112</u>
<u>\$65,240</u>	<u>\$21,692</u>	<u>\$106,989</u>	<u>\$16,481</u>	<u>\$17,869</u>	<u>\$1,568</u>	<u>\$1,112</u>

(continued)

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2005*

	<u>One Net</u>	<u>School Net Professional Development</u>	<u>Student Reading Intervention Grant</u>	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents		\$2,306	\$0		\$29,929
Materials and Supplies Inventory					
Accounts Receivable					
<i>Total Assets</i>	<u>\$0</u>	<u>\$2,306</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,929</u>
<b>LIABILITIES:</b>					
Accounts Payable					
Accrued Wages and Benefits					4,961
Intergovernmental Payable					2,301
Undistributed Monies					
Deferred Revenue					
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,262</u>
<b>FUND BALANCES:</b>					
<b>Reserved:</b>					
Reserved for Encumbrances					15,268
<b>Unreserved, Undesignated, Reported in:</b>					
Special Revenue Funds		2,306	0		7,399
<i>Total Fund Balances</i>		<u>2,306</u>	<u>0</u>		<u>22,667</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$2,306</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,929</u>

(continued)

<u>TITLE III (IMMIGRANT)</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Title II-D</u>	<u>Total Nonmajor Special Revenue</u>
\$900	\$6,398		\$1,039				\$374,830 6,830 4,660
<u>\$900</u>	<u>\$6,398</u>	<u>\$0</u>	<u>\$1,039</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$386,320</u>
	350 4,775 738		529 82				2,758 64,651 20,554 9,630 1,225
<u>0</u>	<u>5,863</u>	<u>0</u>	<u>611</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>98,818</u>
900	2		421				34,800
	533		7				252,702
<u>900</u>	<u>535</u>		<u>428</u>				<u>287,502</u>
<u>\$900</u>	<u>\$6,398</u>	<u>\$0</u>	<u>\$1,039</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$386,320</u>

**Beachwood City Schools**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Adult Education</u>	<u>Recreation</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 29,433				
Interest	244	34			
Tuition and Fees	4,365				295
Extracurricular Activities					
Gifts and Donations		25			
Customer Sales and Services	326,338	55,314		2,385	170,940
Miscellaneous					
<i>Total Revenues</i>	<u>360,380</u>	<u>55,373</u>	<u>0</u>	<u>2,385</u>	<u>171,235</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular					
Special					
Vocational				2,614	
Adult/Continuing					183,126
Other					
<b>Support Services:</b>					
Pupils		54,268			
Instructional Staff					
Administration					
Fiscal		1,353			
Business					
Pupil Transportation					
Central					
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations	451,918				
Community Services					
Extracurricular Activities					
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>451,918</u>	<u>55,621</u>	<u>0</u>	<u>2,614</u>	<u>183,126</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(91,538)</u>	<u>(248)</u>	<u>0</u>	<u>(229)</u>	<u>(11,891)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	110,000	500			
<i>Total Other Financing Sources and Uses</i>	<u>110,000</u>	<u>500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	18,462	252	0	(229)	(11,891)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(13,974)</u>	<u>2,810</u>	<u>1,493</u>	<u>2,488</u>	<u>66,857</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$4,488</u>	<u>\$3,062</u>	<u>\$1,493</u>	<u>\$2,259</u>	<u>\$54,966</u>

(continued)

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>
				\$ 230,662 881	\$ 5,080	\$6,600
		455,479	86,449			
32,435			6,400			
149	3,500	625				
	1,040		991			
<u>32,584</u>	<u>4,540</u>	<u>456,104</u>	<u>93,840</u>	<u>231,543</u>	<u>5,080</u>	<u>6,600</u>
14,150	5,479					5,500
		396,930				
	1,495					
940					15,157	
				242,220		
			2,007			
			65,105			
			113,958			
<u>15,090</u>	<u>6,974</u>	<u>396,930</u>	<u>181,070</u>	<u>242,220</u>	<u>15,157</u>	<u>5,500</u>
<u>17,494</u>	<u>(2,434)</u>	<u>59,174</u>	<u>(87,230)</u>	<u>(10,677)</u>	<u>(10,077)</u>	<u>1,100</u>
			95,000			
<u>0</u>	<u>0</u>	<u>0</u>	<u>95,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
17,494	(2,434)	59,174	7,770	(10,677)	(10,077)	1,100
47,746	24,126	19,928	6,704	21,887	11,645	12
<u>\$65,240</u>	<u>\$21,692</u>	<u>\$79,102</u>	<u>\$14,474</u>	<u>\$11,210</u>	<u>\$1,568</u>	<u>\$1,112</u>

(continued)

**Beachwood City Schools**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005

	<u>One Net</u>	<u>School Net Professional Development</u>	<u>Student Reading Intervention Grant</u>	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>
<b>REVENUES:</b>					
Intergovernmental	\$15,000	\$4,140	\$15,720	\$1,708	\$325,291
Interest					
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					
Customer Sales and Services					
Miscellaneous					
<i>Total Revenues</i>	<u>15,000</u>	<u>4,140</u>	<u>15,720</u>	<u>1,708</u>	<u>325,291</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular			4,047		
Special			8,316		80,281
Vocational					
Adult/Continuing					
Other					
<b>Support Services:</b>					
Pupils					179,497
Instructional Staff					35,551
Administration					7,175
Fiscal					
Business				1,708	
Pupil Transportation			629		
Central	15,000	3,745			
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations					
Community Services					
Extracurricular Activities					
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>15,000</u>	<u>3,745</u>	<u>12,992</u>	<u>1,708</u>	<u>302,504</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>395</u>	<u>2,728</u>	<u>0</u>	<u>22,787</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In					
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	395	2,728	0	22,787
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>0</u>	<u>1,911</u>	<u>(2,728)</u>	<u>0</u>	<u>(120)</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$2,306</u>	<u>\$0</u>	<u>\$0</u>	<u>\$22,667</u>

(continued)



TITLE III (IMMIGRANT)	Title I	Title V	Drug Free Education (Title IV-A)	Preschool Handicapped Grant	Title II-A	Title II-D	Total Nonmajor Special Revenue
\$13,291	\$52,397	\$7,933	\$5,568	\$13,172	\$29,563	\$1,536	\$757,094 1,159 460,139 86,449 38,860 559,251 2,031
13,291	52,397	7,933	5,568	13,172	29,563	1,536	1,904,983
12,208	40,692	7,370			29,478	965	29,176 179,310 2,614 183,126 396,930
183	8,689 5,000		5,363	13,172		823	239,128 58,418 13,670 1,353 1,708 629 34,842
		563	53			109	451,918 242,945 2,007
12,391	54,381	7,933	5,416	13,172	29,478	1,897	65,105 113,958
900	(1,984)	0	152	0	85	(361)	2,016,837 (111,854)
							205,500
0	0	0	0	0	0	0	205,500
900	(1,984)	0	152	0	85	(361)	93,646
0	2,519	0	276	0	(85)	361	193,856
<u>\$900</u>	<u>\$535</u>	<u>\$0</u>	<u>\$428</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$287,502</u>

## FIDUCIARY FUNDS

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

### Agency Funds:

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

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

**Beachwood City Schools**  
**Combining Statements of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2005**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Retirement</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 744,176	\$ 2,839,027	\$ 3,103,078	\$ 480,125
Total Assets	<u>\$ 744,176</u>	<u>\$ 2,839,027</u>	<u>\$ 3,103,078</u>	<u>\$ 480,125</u>
<b>LIABILITIES:</b>				
Undistributed Monies	\$ 744,177	2,839,027	3,103,078	480,125
Total Liabilities	<u>\$ 744,177</u>	<u>\$ 2,839,027</u>	<u>\$ 3,103,078</u>	<u>\$ 480,125</u>
<b>Student Activities</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	54,426	69,867	67,733	56,560
Total Assets	<u>\$ 54,426</u>	<u>\$ 69,867</u>	<u>\$ 67,733</u>	<u>\$ 56,560</u>
<b>LIABILITIES:</b>				
Due to Students	54,426	69,867	67,733	56,560
Total Liabilities	<u>\$ 54,426</u>	<u>\$ 69,867</u>	<u>\$ 67,733</u>	<u>\$ 56,560</u>
<b>Totals</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	798,602	2,908,894	3,170,811	536,685
Total Assets	<u>\$ 798,602</u>	<u>\$ 2,908,894</u>	<u>\$ 3,170,811</u>	<u>\$ 536,685</u>
<b>LIABILITIES:</b>				
Undistributed Monies	744,176	\$ 2,839,027	\$ 3,103,078	480,125
Due to Students	54,426	69,867	67,733	56,560
Total Liabilities	<u>\$ 798,602</u>	<u>\$ 2,908,894</u>	<u>\$ 3,170,811</u>	<u>\$ 536,685</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 23,638,346	\$ 22,069,279	\$ 22,322,798	\$ 253,519
Intergovernmental	4,490,665	4,194,705	4,240,745	46,040
Interest	151,020	110,000	142,615	32,615
Tuition and Fees	459,661	895,074	434,079	(460,995)
Rent	263,154	255,020	248,509	(6,511)
Gifts and Donations	2,081	2,000	1,965	(35)
Customer Sales and Services	228,173	226,125	215,474	(10,651)
Miscellaneous	74,155	69,565	70,028	463
<b>Total Revenues</b>	<u>29,307,255</u>	<u>27,821,768</u>	<u>27,676,213</u>	<u>(145,555)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	7,807,994	7,580,878	7,544,152	36,726
Fringe Benefits	2,364,209	2,220,157	2,215,940	4,217
Purchased Services	230,336	204,197	161,423	42,774
Materials and Supplies	401,634	292,843	271,412	21,431
Other	63,479	85,879	73,950	11,929
Capital Outlay	26,903	15,817	15,212	605
Capital Outlay Replacement	3,217	1,717	600	1,117
<b>Total - Regular</b>	<u>10,897,772</u>	<u>10,401,488</u>	<u>10,282,689</u>	<u>118,799</u>
<b>Special</b>				
Salaries	1,978,684	1,950,744	1,919,991	30,753
Fringe Benefits	879,494	825,694	813,973	11,721
Purchased Services	825,483	1,495,603	1,474,707	20,896
Materials and Supplies	25,402	20,402	14,075	6,327
Other	150	150	128	22
Capital Outlay	5,662	4,962	1,579	3,383
<b>Total - Special</b>	<u>3,714,875</u>	<u>4,297,555</u>	<u>4,224,453</u>	<u>73,102</u>
<b>Vocational</b>				
Purchased Services	165,100	293,600	290,255	3,345
Materials and Supplies	17,114	18,714	11,403	7,311
Other	2,200	700	200	500
Capital Outlay	500	500	0	500
<b>Total - Vocational</b>	<u>184,914</u>	<u>313,514</u>	<u>301,858</u>	<u>11,656</u>
<b>Other</b>				
Fringe Benefits	35,000	40,800	36,343	4,457
Purchased Services	48,100	93,140	93,137	3
<b>Total - Other</b>	<u>83,100</u>	<u>133,940</u>	<u>129,480</u>	<u>4,460</u>
<b>Total - Instruction:</b>	<u>14,880,661</u>	<u>15,145,197</u>	<u>14,937,180</u>	<u>208,017</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,275,658	1,328,397	1,310,013	18,384
Fringe Benefits	389,906	406,947	403,050	3,897
Purchased Services	32,473	78,703	73,282	5,421
Materials and Supplies	13,135	13,433	8,793	4,640
Other	333	525	505	20
Capital Outlay	1,212	6,212	4,795	1,417
Capital Outlay Replacement	644	644	0	644
Total - Pupils	<u>1,713,361</u>	<u>1,834,861</u>	<u>1,800,438</u>	<u>34,423</u>
Instructional Staff				
Salaries	507,785	513,184	488,375	24,809
Fringe Benefits	236,882	206,882	181,637	25,245
Purchased Services	94,577	34,574	30,190	4,384
Materials and Supplies	58,813	46,207	40,423	5,784
Capital Outlay	5,604	4,919	4,554	365
Capital Outlay Replacement	201	201	172	29
Total - Instructional Staff	<u>903,862</u>	<u>805,967</u>	<u>745,351</u>	<u>60,616</u>
Board of Education				
Salaries	12,114	15,114	14,950	164
Fringe Benefits	1,496	1,896	1,875	21
Purchased Services	273,869	276,569	274,614	1,955
Materials and Supplies	2,506	1,706	1,500	206
Other	13,478	121,478	119,074	2,404
Capital Outlay	9,704	0	0	0
Total - Board of Education	<u>313,167</u>	<u>416,763</u>	<u>412,013</u>	<u>4,750</u>
Administration				
Salaries	1,723,099	1,520,885	1,498,396	22,489
Fringe Benefits	672,544	619,644	619,075	569
Purchased Services	148,577	106,260	94,537	11,723
Materials and Supplies	27,993	21,503	16,819	4,684
Other	65,761	33,836	32,296	1,540
Capital Outlay	7,100	3,928	2,340	1,588
Total - Administration	<u>2,645,074</u>	<u>2,306,056</u>	<u>2,263,463</u>	<u>42,593</u>
Fiscal				
Salaries	252,178	253,378	253,323	55
Fringe Benefits	63,466	83,766	83,732	34
Purchased Services	19,913	13,413	11,783	1,630
Materials and Supplies	4,561	5,561	5,469	92
Other	406,269	421,269	420,446	823
Capital Outlay	214	214	0	214
Total - Fiscal	<u>746,601</u>	<u>777,601</u>	<u>774,753</u>	<u>2,848</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	260,872	231,172	231,098	74
Fringe Benefits	107,590	87,890	87,778	112
Purchased Services	218,810	207,162	203,741	3,421
Materials and Supplies	25,672	18,672	13,023	5,649
Other	1,095	1,095	0	1,095
Capital Outlay	2,206	2,206	383	1,823
<b>Total - Business</b>	<u>616,245</u>	<u>548,197</u>	<u>536,023</u>	<u>12,174</u>
Operation and Maintenance of Plant				
Salaries	1,681,051	1,471,055	1,424,888	46,167
Fringe Benefits	643,993	557,993	526,456	31,537
Purchased Services	1,002,860	940,848	862,964	77,884
Materials and Supplies	186,399	184,533	175,192	9,341
Capital Outlay	21,052	37,314	34,851	2,463
Capital Outlay Replacement	5,448	1,365	0	1,365
<b>Total - Operation and Maintenance of Plant</b>	<u>3,540,803</u>	<u>3,193,108</u>	<u>3,024,351</u>	<u>168,757</u>
Pupil Transportation				
Salaries	892,148	940,395	937,045	3,350
Fringe Benefits	546,249	456,386	455,294	1,092
Purchased Services	143,289	145,596	140,900	4,696
Materials and Supplies	115,080	140,430	139,637	793
Other	343	95	95	0
Capital Outlay	5,040	1,040	449	591
Capital Outlay Replacement	12,350	9,462	9,128	334
<b>Total - Pupil Transportation</b>	<u>1,714,499</u>	<u>1,693,404</u>	<u>1,682,548</u>	<u>10,856</u>
Central				
Salaries	275,170	278,870	277,534	1,336
Fringe Benefits	85,886	97,327	96,530	797
Purchased Services	481,644	343,303	331,212	12,091
Materials and Supplies	43,114	34,694	28,084	6,610
Other	894	894	872	22
Capital Outlay	80,138	58,138	51,571	6,567
<b>Total - Central</b>	<u>966,846</u>	<u>813,226</u>	<u>785,803</u>	<u>27,423</u>
<b>Total - Support Services:</b>	<u>13,160,458</u>	<u>12,389,183</u>	<u>12,024,743</u>	<u>364,440</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	69,863	93,843	93,674	169
Fringe Benefits	14,350	15,570	15,532	38
<b>Total - Academic Oriented Activities</b>	<u>84,213</u>	<u>109,413</u>	<u>109,206</u>	<u>207</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Sport Oriented Activities				
Salaries	440,153	487,853	487,327	526
Fringe Benefits	72,863	98,363	98,029	334
Total - Sport Oriented Activities	<u>513,016</u>	<u>586,216</u>	<u>585,356</u>	<u>860</u>
School and Public Service Co-Curricular Activities				
Salaries	33,841	28,841	28,735	106
Fringe Benefits	5,399	5,399	4,667	732
Total - School and Public Service Co-Curricular Activities	<u>39,240</u>	<u>34,240</u>	<u>33,402</u>	<u>838</u>
Total - Extracurricular Activities:	<u>636,469</u>	<u>729,869</u>	<u>727,964</u>	<u>1,905</u>
Total Expenditures	<u>28,677,588</u>	<u>28,265,549</u>	<u>27,691,187</u>	<u>574,362</u>
Excess of Revenues Over (Under) Expenditures	<u>629,667</u>	<u>(443,781)</u>	<u>(14,974)</u>	<u>428,807</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	27,299	123,724	0	(123,724)
Proceeds from Sale of Capital Assets	44,085	41,600	41,632	32
Transfers Out	(326,780)	(205,503)	(205,500)	3
Advances Out	(25,000)	0	0	0
Total Other Financing Sources and Uses	<u>(280,396)</u>	<u>(40,179)</u>	<u>(163,868)</u>	<u>(123,689)</u>
Net Change in Fund Balances	349,271	(483,960)	(178,842)	305,118
Fund Balance (Deficit) at Beginning of Year	869,519	869,519	869,519	0
Prior Year Encumbrances Appropriated	244,582	244,582	244,582	0
Fund Balance (Deficit) at End of Year	<u>\$ 1,463,372</u>	<u>\$ 630,141</u>	<u>\$ 935,259</u>	<u>\$ 305,118</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 2,828,902	\$ 2,477,200	\$ 2,627,066	\$ 149,866
Intergovernmental	315,187	294,902	326,762	31,860
Miscellaneous	0	0	15	15
<b>Total Revenues</b>	<u>3,144,089</u>	<u>2,772,102</u>	<u>2,953,843</u>	<u>181,741</u>
<b>EXPENDITURES:</b>				
<b>Debt Service:</b>				
<b>Principal</b>				
Principal Retirement	2,015,000	2,015,000	2,014,960	40
<b>Total - Principal</b>	<u>2,015,000</u>	<u>2,015,000</u>	<u>2,014,960</u>	<u>40</u>
<b>Interest</b>				
Interest and Fiscal Charges	878,964	878,965	878,965	0
<b>Total - Interest</b>	<u>878,964</u>	<u>878,965</u>	<u>878,965</u>	<u>0</u>
<b>Issuance Costs</b>				
Debt Issuance Costs	3,600	3,599	0	3,599
<b>Total - Issuance Costs</b>	<u>3,600</u>	<u>3,599</u>	<u>0</u>	<u>3,599</u>
<b>Total - Debt Service:</b>	<u>2,897,564</u>	<u>2,897,564</u>	<u>2,893,925</u>	<u>3,639</u>
<b>Total Expenditures</b>	<u>2,897,564</u>	<u>2,897,564</u>	<u>2,893,925</u>	<u>3,639</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>246,525</u>	<u>(125,462)</u>	<u>59,918</u>	<u>185,380</u>
<b>Net Change in Fund Balances</b>	<u>246,525</u>	<u>(125,462)</u>	<u>59,918</u>	<u>185,380</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>1,057,721</u>	<u>1,057,721</u>	<u>1,057,721</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,304,246</u>	<u>\$ 932,259</u>	<u>\$ 1,117,639</u>	<u>\$ 185,380</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 614,413	\$ 623,949	\$ 603,882	\$ (20,067)
Intergovernmental	119,849	114,850	117,795	2,945
Interest	410	900	403	(497)
Customer Sales and Services	2,627	0	2,582	2,582
<b>Total Revenues</b>	<u>737,299</u>	<u>739,699</u>	<u>724,662</u>	<u>(15,037)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Support Services:</b>				
Operation and Maintenance of Plant				
Purchased Services	380,000	386,290	384,768	1,522
Capital Outlay	25,000	34,630	34,626	4
<b>Total - Operation and Maintenance of Plant</b>	<u>405,000</u>	<u>420,920</u>	<u>419,394</u>	<u>1,526</u>
<b>Pupil Transportation</b>				
Capital Outlay Replacement	124,726	163,676	162,968	708
<b>Total - Pupil Transportation</b>	<u>124,726</u>	<u>163,676</u>	<u>162,968</u>	<u>708</u>
<b>Total - Support Services:</b>	<u>529,726</u>	<u>584,596</u>	<u>582,362</u>	<u>2,234</u>
<b>Other Facilities Acquisition and Construction</b>				
Capital Outlay	200,000	178,160	159,268	18,892
<b>Total - Other Facilities Acquisition and Construction</b>	<u>200,000</u>	<u>178,160</u>	<u>159,268</u>	<u>18,892</u>
<b>Total - Capital Outlay:</b>	<u>200,000</u>	<u>178,160</u>	<u>159,268</u>	<u>18,892</u>
<b>Total Expenditures</b>	<u>729,726</u>	<u>762,756</u>	<u>741,630</u>	<u>21,126</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>7,573</u>	<u>(23,057)</u>	<u>(16,968)</u>	<u>6,089</u>
<b>Net Change in Fund Balances</b>	7,573	(23,057)	(16,968)	6,089
<b>Fund Balance (Deficit) at Beginning of Year</b>	7,576	7,576	7,576	0
<b>Prior Year Encumbrances Appropriated</b>	15,755	15,755	15,755	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 30,904</u>	<u>\$ 274</u>	<u>\$ 6,363</u>	<u>\$ 6,089</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Interest	\$ 1,200	\$ 8,660	\$ 12,477	\$ 3,817
Total Revenues	<u>1,200</u>	<u>8,660</u>	<u>12,477</u>	<u>3,817</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Purchased Services	249,980	249,980	249,980	0
Capital Outlay	<u>0</u>	<u>15,547</u>	<u>15,097</u>	<u>450</u>
Total - Regular	<u>249,980</u>	<u>265,527</u>	<u>265,077</u>	<u>450</u>
Total - Instruction:	<u>249,980</u>	<u>265,527</u>	<u>265,077</u>	<u>450</u>
Capital Outlay:				
Architecture and Engineering Services				
Capital Outlay	<u>0</u>	<u>2,000</u>	<u>1,629</u>	<u>371</u>
Total - Architecture and Engineering Services	<u>0</u>	<u>2,000</u>	<u>1,629</u>	<u>371</u>
Building Acquisition and Construction Services				
Capital Outlay	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total - Building Acquisition and Construction Services	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Building Improvement Services				
Capital Outlay	<u>70,000</u>	<u>126,463</u>	<u>126,462</u>	<u>1</u>
Total - Building Improvement Services	<u>70,000</u>	<u>126,463</u>	<u>126,462</u>	<u>1</u>
Other Facilities Acquisition and Construction				
Capital Outlay	<u>200,000</u>	<u>267,990</u>	<u>266,724</u>	<u>1,266</u>
Total - Other Facilities Acquisition and Construction	<u>200,000</u>	<u>267,990</u>	<u>266,724</u>	<u>1,266</u>
Total - Capital Outlay:	<u>277,000</u>	<u>396,453</u>	<u>394,815</u>	<u>1,638</u>
Total Expenditures	<u>526,980</u>	<u>661,980</u>	<u>659,892</u>	<u>2,088</u>
Excess of Revenues Over (Under) Expenditures	<u>(525,780)</u>	<u>(653,320)</u>	<u>(647,415)</u>	<u>5,905</u>
Net Change in Fund Balances	(525,780)	(653,320)	(647,415)	5,905
Fund Balance (Deficit) at Beginning of Year	244,871	244,871	244,871	0
Prior Year Encumbrances Appropriated	<u>434,937</u>	<u>434,937</u>	<u>434,937</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 154,028</u>	<u>\$ 26,488</u>	<u>\$ 32,393</u>	<u>\$ 5,905</u>

*This page intentionally left blank*

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Consortium Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 700,926	\$ 568,169	\$ 638,570	\$ 70,401
Tuition and Fees	1,855,000	1,545,000	1,996,857	451,857
Customer Sales and Services	26,000	21,000	27,156	6,156
<b>Total Revenues</b>	<u>2,581,926</u>	<u>2,134,169</u>	<u>2,662,583</u>	<u>528,414</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Special</b>				
Salaries	797,785	810,155	720,322	89,833
Fringe Benefits	329,869	295,852	252,580	43,272
Purchased Services	75,629	70,311	58,415	11,896
Materials and Supplies	25,491	25,741	15,108	10,633
Capital Outlay	5,960	16,960	13,173	3,787
Capital Outlay Replacement	7,353	703	0	703
<b>Total - Special</b>	<u>1,242,087</u>	<u>1,219,722</u>	<u>1,059,598</u>	<u>160,124</u>
<b>Vocational</b>				
Salaries	462,911	460,511	384,140	76,371
Fringe Benefits	183,507	179,507	130,855	48,652
Purchased Services	49,246	45,746	29,764	15,982
Materials and Supplies	62,709	65,734	55,536	10,198
Other	475	475	50	425
Capital Outlay	11,501	11,976	8,454	3,522
Capital Outlay Replacement	237	237	0	237
<b>Total - Vocational</b>	<u>770,586</u>	<u>764,186</u>	<u>608,799</u>	<u>155,387</u>
<b>Total - Instruction:</b>	<u>2,012,673</u>	<u>1,983,908</u>	<u>1,668,397</u>	<u>315,511</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Salaries	845,448	824,527	717,494	107,033
Fringe Benefits	299,140	313,422	292,760	20,662
Purchased Services	6,385	18,389	15,708	2,681
Materials and Supplies	371	371	0	371
<b>Total - Pupils</b>	<u>1,151,344</u>	<u>1,156,709</u>	<u>1,025,962</u>	<u>130,747</u>
<b>Central</b>				
Materials and Supplies	1,516	1,516	495	1,021
<b>Total - Central</b>	<u>1,516</u>	<u>1,516</u>	<u>495</u>	<u>1,021</u>
<b>Total - Support Services:</b>	<u>1,152,860</u>	<u>1,158,225</u>	<u>1,026,457</u>	<u>131,768</u>
<b>Total Expenditures</b>	<u>3,165,533</u>	<u>3,142,133</u>	<u>2,694,854</u>	<u>447,279</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(583,607)</u>	<u>(1,007,964)</u>	<u>(32,271)</u>	<u>975,693</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Consortium Fund*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OTHER FINANCING SOURCES AND USES:				
Advances In	180,000	0	0	0
Transfers Out	<u>0</u>	<u>(3,264)</u>	<u>0</u>	<u>3,264</u>
Total Other Financing Sources and Uses	<u>180,000</u>	<u>(3,264)</u>	<u>0</u>	<u>3,264</u>
Net Change in Fund Balances	(403,607)	(1,011,228)	(32,271)	978,957
Fund Balance (Deficit) at Beginning of Year	1,162,084	1,162,084	1,162,084	0
Prior Year Encumbrances Appropriated	<u>6,248</u>	<u>6,248</u>	<u>6,248</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 764,725</u>	<u>\$ 157,104</u>	<u>\$ 1,136,061</u>	<u>\$ 978,957</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$0	\$12,495	\$12,495	\$0
Total Revenues	<u>0</u>	<u>12,495</u>	<u>12,495</u>	<u>0</u>
EXPENDITURES:				
Current:				
Support Services:				
Central				
Capital Outlay	0	12,495	12,495	0
Total - Central	<u>0</u>	<u>12,495</u>	<u>12,495</u>	<u>0</u>
Total - Support Services:	<u>0</u>	<u>12,495</u>	<u>12,495</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,495</u>	<u>12,495</u>	<u>0</u>
Excess of Revenues Over (under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 28,800	\$ 26,700	\$ 29,433	\$ 2,733
Interest	300	20	244	224
Customer Sales and Services	<u>317,000</u>	<u>317,000</u>	<u>326,338</u>	<u>9,338</u>
<b>Total Revenues</b>	<u>346,100</u>	<u>343,720</u>	<u>356,015</u>	<u>12,295</u>
<b>EXPENDITURES:</b>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations				
Salaries	195,000	198,000	193,670	4,330
Fringe Benefits	95,000	85,000	79,906	5,094
Purchased Services	22,735	12,735	8,216	4,519
Materials and Supplies	186,819	208,819	163,763	45,056
Capital Outlay	<u>13,538</u>	<u>8,538</u>	<u>8,538</u>	<u>8,538</u>
<b>Total - Food Service Operations</b>	<u>513,092</u>	<u>513,092</u>	<u>445,555</u>	<u>67,537</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>513,092</u>	<u>513,092</u>	<u>445,555</u>	<u>67,537</u>
<b>Total Expenditures</b>	<u>513,092</u>	<u>513,092</u>	<u>445,555</u>	<u>67,537</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(166,992)</u>	<u>(169,372)</u>	<u>(89,540)</u>	<u>79,832</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	<u>180,000</u>	<u>180,000</u>	<u>110,000</u>	<u>(70,000)</u>
<b>Total Other Financing Sources and Uses</b>	<u>180,000</u>	<u>180,000</u>	<u>110,000</u>	<u>(70,000)</u>
<b>Net Change in Fund Balances</b>	13,008	10,628	20,460	9,832
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>6,241</u>	<u>6,241</u>	<u>6,241</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 19,249</u>	<u>\$ 16,869</u>	<u>\$ 26,701</u>	<u>\$ 9,832</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Expendable Trust Funds  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Interest	\$ 30	\$ 30	\$ 34	\$ 4
Gifts and Donations	47,426	170	25	(145)
Customer Sales and Services	<u>5,000</u>	<u>55,853</u>	<u>55,314</u>	<u>(539)</u>
<b>Total Revenues</b>	<u>52,456</u>	<u>56,053</u>	<u>55,373</u>	<u>(680)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Support Services:				
Pupils				
Materials and Supplies	900	370	214	156
Other	<u>43,500</u>	<u>56,030</u>	<u>54,054</u>	<u>1,976</u>
<b>Total - Pupils</b>	<u>44,400</u>	<u>56,400</u>	<u>54,268</u>	<u>2,132</u>
Fiscal				
Purchased Services	<u>475</u>	<u>1,475</u>	<u>1,353</u>	<u>122</u>
<b>Total - Fiscal</b>	<u>475</u>	<u>1,475</u>	<u>1,353</u>	<u>122</u>
<b>Total - Support Services:</b>	<u>44,875</u>	<u>57,875</u>	<u>55,621</u>	<u>2,254</u>
<b>Total Expenditures</b>	<u>44,875</u>	<u>57,875</u>	<u>55,621</u>	<u>2,254</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>7,581</u>	<u>(1,822)</u>	<u>(248)</u>	<u>1,574</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	0	0	500	500
Transfers Out	<u>(1,500)</u>	<u>(500)</u>	<u>0</u>	<u>500</u>
<b>Total Other Financing Sources and Uses</b>	<u>(1,500)</u>	<u>(500)</u>	<u>500</u>	<u>1,000</u>
<b>Net Change in Fund Balances</b>	6,081	(2,322)	252	2,574
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>12,437</u>	<u>12,437</u>	<u>12,437</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 18,518</u>	<u>\$ 10,115</u>	<u>\$ 12,689</u>	<u>\$ 2,574</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Uniform Supplies  
 For the Fiscal Year Ended June 30, 2005*

---



---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Fund Balance (Deficit) at Beginning of Year	\$1,493	\$1,493	\$1,493	\$0
Fund Balance (Deficit) at End of Year	\$1,493	\$1,493	\$1,493	\$0

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult Education*  
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Customer Sales and Services	\$ 990	\$ 2,055	\$ 2,385	\$ 330
Total Revenues	<u>990</u>	<u>2,055</u>	<u>2,385</u>	<u>330</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Vocational				
Purchased Services	1,790	3,135	2,260	875
Materials and Supplies	200	499	166	333
Capital Outlay	<u>0</u>	<u>188</u>	<u>188</u>	<u>0</u>
Total - Vocational	<u>1,990</u>	<u>3,822</u>	<u>2,614</u>	<u>1,208</u>
Total - Instruction:	<u>1,990</u>	<u>3,822</u>	<u>2,614</u>	<u>1,208</u>
Total Expenditures	<u>1,990</u>	<u>3,822</u>	<u>2,614</u>	<u>1,208</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>(1,767)</u>	<u>(229)</u>	<u>1,538</u>
Net Change in Fund Balances	(1,000)	(1,767)	(229)	1,538
Fund Balance (Deficit) at Beginning of Year	<u>2,488</u>	<u>2,488</u>	<u>2,488</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,488</u>	<u>\$ 721</u>	<u>\$ 2,259</u>	<u>\$ 1,538</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Customer Sales and Services	\$ 392,687	\$ 202,354	\$ 170,940	\$ (31,414)
Total Revenues	<u>392,687</u>	<u>202,354</u>	<u>170,940</u>	<u>(31,414)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Adult/Continuing				
Salaries	141,500	125,920	102,233	23,687
Fringe Benefits	23,221	33,401	25,539	7,862
Purchased Services	52,558	53,738	40,894	12,844
Materials and Supplies	18,694	20,094	10,586	9,508
Other	2,400	4,000	3,993	7
Capital Outlay	<u>1,775</u>	<u>275</u>	<u>275</u>	<u>0</u>
Total - Adult/Continuing	<u>240,148</u>	<u>237,428</u>	<u>183,520</u>	<u>53,908</u>
Total - Instruction:	<u>240,148</u>	<u>237,428</u>	<u>183,520</u>	<u>53,908</u>
Total Expenditures	<u>240,148</u>	<u>237,428</u>	<u>183,520</u>	<u>53,908</u>
Excess of Revenues Over (Under) Expenditures	<u>152,539</u>	<u>(35,074)</u>	<u>(12,580)</u>	<u>22,494</u>
Net Change in Fund Balances	152,539	(35,074)	(12,580)	22,494
Fund Balance (Deficit) at Beginning of Year	66,813	66,813	66,813	0
Prior Year Encumbrances Appropriated	<u>2,531</u>	<u>2,531</u>	<u>2,531</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 221,883</u>	<u>\$ 34,270</u>	<u>\$ 56,764</u>	<u>\$ 22,494</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Pupil Support*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Gifts and Donations	\$16,942	\$16,942	\$32,435	\$15,493
Customer Sales and Services	115	115	149	34
<b>Total Revenues</b>	<u>17,057</u>	<u>17,057</u>	<u>32,584</u>	<u>15,527</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Purchased Services	4,745	4,745	3,592	1,153
Materials and Supplies	7,443	13,443	8,446	4,997
Capital Outlay	18,427	16,427	5,934	10,493
<b>Total - Regular</b>	<u>30,615</u>	<u>34,615</u>	<u>17,972</u>	<u>16,643</u>
<b>Total - Instruction:</b>	<u>30,615</u>	<u>34,615</u>	<u>17,972</u>	<u>16,643</u>
<b>Support Services:</b>				
<b>Central</b>				
Materials and Supplies	0	1,000	940	60
<b>Total - Central</b>	<u>0</u>	<u>1,000</u>	<u>940</u>	<u>60</u>
<b>Total - Support Services:</b>	<u>0</u>	<u>1,000</u>	<u>940</u>	<u>60</u>
<b>Total Expenditures</b>	<u>30,615</u>	<u>35,615</u>	<u>18,912</u>	<u>16,703</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(13,558)</u>	<u>(18,558)</u>	<u>13,672</u>	<u>32,230</u>
<b>Net Change in Fund Balances</b>	<u>(13,558)</u>	<u>(18,558)</u>	<u>13,672</u>	<u>32,230</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	43,898	43,898	43,898	0
<b>Prior Year Encumbrances Appropriated</b>	<u>4,325</u>	<u>4,325</u>	<u>4,325</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u><u>\$34,665</u></u>	<u><u>\$29,665</u></u>	<u><u>\$61,895</u></u>	<u><u>\$32,230</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Misc. Local Grants*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Customer Sales and Services	\$ 10,000	\$ 10,000	\$ 3,500	\$ (6,500)
Miscellaneous	0	0	1,040	1,040
<b>Total Revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>4,540</u>	<u>(5,460)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Purchased Services	500	500	0	500
Materials and Supplies	5,242	5,042	0	5,042
Capital Outlay	20,000	10,000	5,479	4,521
<b>Total - Regular</b>	<u>25,742</u>	<u>15,542</u>	<u>5,479</u>	<u>10,063</u>
<b>Special</b>				
Purchased Services	0	200	0	200
<b>Total - Special</b>	<u>0</u>	<u>200</u>	<u>0</u>	<u>200</u>
<b>Total - Instruction:</b>	<u>25,742</u>	<u>15,742</u>	<u>5,479</u>	<u>10,263</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Other	329	329	0	329
<b>Total - Pupils</b>	<u>329</u>	<u>329</u>	<u>0</u>	<u>329</u>
<b>Instructional Staff</b>				
Materials and Supplies	525	525	0	525
<b>Total - Instructional Staff</b>	<u>525</u>	<u>525</u>	<u>0</u>	<u>525</u>
<b>Administration</b>				
Purchased Services	4,500	4,500	1,495	3,005
<b>Total - Administration</b>	<u>4,500</u>	<u>4,500</u>	<u>1,495</u>	<u>3,005</u>
<b>Central</b>				
Capital Outlay	2,756	2,756	0	2,756
<b>Total - Central</b>	<u>2,756</u>	<u>2,756</u>	<u>0</u>	<u>2,756</u>
<b>Total - Support Services:</b>	<u>8,110</u>	<u>8,110</u>	<u>1,495</u>	<u>6,615</u>
<b>Total Expenditures</b>	<u>33,852</u>	<u>23,852</u>	<u>6,974</u>	<u>16,878</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(23,852)</u>	<u>(13,852)</u>	<u>(2,434)</u>	<u>11,418</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	5,000	0	0	0
<b>Total Other Financing Sources and Uses</b>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Change in Fund Balances</b>	<u>(18,852)</u>	<u>(13,852)</u>	<u>(2,434)</u>	<u>11,418</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>24,125</u>	<u>24,125</u>	<u>24,125</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 5,273</u>	<u>\$ 10,273</u>	<u>\$ 21,691</u>	<u>\$ 11,418</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Tuition and Fees	\$450,000	\$450,000	\$455,855	\$5,855
Customer Sales and Services	0	0	625	625
Miscellaneous	2,000	2,000	0	(2,000)
<b>Total Revenues</b>	<u>452,000</u>	<u>452,000</u>	<u>456,480</u>	<u>4,480</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Other</b>				
Salaries	300,287	306,187	254,557	51,630
Fringe Benefits	127,241	129,241	110,611	18,630
Purchased Services	26,674	25,774	21,457	4,317
Materials and Supplies	20,420	20,420	15,334	5,086
Capital Outlay	3,229	3,229	348	2,881
<b>Total - Other</b>	<u>477,851</u>	<u>484,851</u>	<u>402,307</u>	<u>82,544</u>
<b>Total - Instruction:</b>	<u>477,851</u>	<u>484,851</u>	<u>402,307</u>	<u>82,544</u>
<b>Total Expenditures</b>	<u>477,851</u>	<u>484,851</u>	<u>402,307</u>	<u>82,544</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(25,851)</u>	<u>(32,851)</u>	<u>54,173</u>	<u>87,024</u>
<b>Net Change in Fund Balances</b>	<u>(25,851)</u>	<u>(32,851)</u>	<u>54,173</u>	<u>87,024</u>
<b>Fund Balance at Beginning of Year</b>	50,628	50,628	50,628	0
<b>Prior Year Encumbrances Appropriated</b>	<u>1,569</u>	<u>1,569</u>	<u>1,569</u>	<u>0</u>
<b>Fund Balance at End of Year</b>	<u><u>\$26,346</u></u>	<u><u>\$193,456</u></u>	<u><u>\$106,370</u></u>	<u><u>\$87,024</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
District Managed Student Activities  
For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Extracurricular Activities	\$ 106,650	\$ 64,000	\$ 86,449	\$ 22,449
Gifts and Donations	0	1,000	6,400	5,400
Miscellaneous	0	1,000	991	(9)
<b>Total Revenues</b>	<u>106,650</u>	<u>66,000</u>	<u>93,840</u>	<u>27,840</u>
<b>EXPENDITURES:</b>				
Current:				
Extracurricular Activities:				
Academic Oriented Activities				
Purchased Services	54,150	47,574	47,574	0
Materials and Supplies	6,650	17,532	17,531	1
<b>Total - Academic Oriented Activities</b>	<u>60,800</u>	<u>65,106</u>	<u>65,105</u>	<u>1</u>
Sport Oriented Activities				
Purchased Services	68,242	62,729	60,550	2,179
Materials and Supplies	43,600	49,541	47,915	1,626
Other	8,999	4,552	4,280	272
Capital Outlay	2,000	1,213	1,213	0
<b>Total - Sport Oriented Activities</b>	<u>122,841</u>	<u>118,035</u>	<u>113,958</u>	<u>4,077</u>
<b>Total - Extracurricular Activities:</b>	<u>183,641</u>	<u>183,141</u>	<u>179,063</u>	<u>4,078</u>
<b>Total Expenditures</b>	<u>183,641</u>	<u>183,141</u>	<u>179,063</u>	<u>4,078</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(76,991)</u>	<u>(117,141)</u>	<u>(85,223)</u>	<u>31,918</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	110,500	110,500	95,000	(15,500)
<b>Total Other Financing Sources and Uses</b>	<u>110,500</u>	<u>110,500</u>	<u>95,000</u>	<u>(15,500)</u>
<b>Net Change in Fund Balances</b>	33,509	(6,641)	9,777	16,418
Fund Balance (Deficit) at Beginning of Year	5,683	5,683	5,683	0
Prior Year Encumbrances Appropriated	1,022	1,022	1,022	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 40,214</u>	<u>\$ 64</u>	<u>\$ 16,482</u>	<u>\$ 16,418</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$230,000	\$230,662	\$230,662	\$0
Interest	300	886	881	(5)
<b>Total Revenues</b>	<u>230,300</u>	<u>231,548</u>	<u>231,543</u>	<u>(5)</u>
<b>EXPENDITURES:</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services				
Salaries	35,143	79,821	74,154	5,667
Fringe Benefits	5,781	24,297	23,336	961
Purchased Services	126,066	97,274	97,274	0
Materials and Supplies	41,002	49,828	49,828	0
Capital Outlay	10,050	10,419	10,419	0
<b>Total - Community Services</b>	<u>218,042</u>	<u>261,639</u>	<u>255,011</u>	<u>6,628</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>218,042</u>	<u>261,639</u>	<u>255,011</u>	<u>6,628</u>
<b>Total Expenditures</b>	<u>218,042</u>	<u>261,639</u>	<u>255,011</u>	<u>6,628</u>
Excess of Revenues Over (Under) Expenditures	<u>12,258</u>	<u>(30,091)</u>	<u>(23,468)</u>	<u>6,623</u>
Net Change in Fund Balances	12,258	(30,091)	(23,468)	6,623
Fund Balance (Deficit) at Beginning of Year	27,505	27,505	27,505	0
Prior Year Encumbrances Appropriated	<u>2,586</u>	<u>2,586</u>	<u>2,586</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u><u>\$42,349</u></u>	<u><u>\$0</u></u>	<u><u>\$6,623</u></u>	<u><u>\$6,623</u></u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Management Information Systems  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$5,800	\$5,800	\$5,080	(\$720)
Total Revenues	5,800	5,800	5,080	(720)
EXPENDITURES:				
Current:				
Support Services:				
Central				
Purchased Services	17,345	17,345	15,157	2,188
Total - Central	17,345	17,345	15,157	2,188
Total - Support Services:	17,345	17,345	15,157	2,188
Total Expenditures	17,345	17,345	15,157	2,188
Excess of Revenues Over (Under) Expenditures	(11,545)	(11,545)	(10,077)	1,468
Net Change in Fund Balances	(11,545)	(11,545)	(10,077)	1,468
Fund Balance (Deficit) at Beginning of Year	11,645	11,645	11,645	0
Fund Balance (Deficit) at End of Year	<u>\$100</u>	<u>\$100</u>	<u>\$1,568</u>	<u>\$1,468</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Entry Year Grant*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$0	\$6,600	\$6,600	\$0
Total Revenues	<u>0</u>	<u>6,600</u>	<u>6,600</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	0	1,100	1,100	0
Purchased Services	<u>0</u>	<u>5,500</u>	<u>4,400</u>	<u>1,100</u>
Total - Regular	<u>0</u>	<u>6,600</u>	<u>5,500</u>	<u>1,100</u>
Total - Instruction:	<u>0</u>	<u>6,600</u>	<u>5,500</u>	<u>1,100</u>
Total Expenditures	<u>0</u>	<u>6,600</u>	<u>5,500</u>	<u>1,100</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>1,100</u>	<u>1,100</u>
Net Change in Fund Balances	0	0	1,100	1,100
Fund Balance (Deficit) at Beginning of Year	<u>12</u>	<u>12</u>	<u>12</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$12</u></u>	<u><u>\$12</u></u>	<u><u>\$1,112</u></u>	<u><u>\$1,100</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 One Net  
 For the Fiscal Year Ended June 30, 2005*

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

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 School Net Professional Development  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$4,521	\$4,140	\$4,140	\$0
Total Revenues	4,521	4,140	4,140	0
EXPENDITURES:				
Current:				
Support Services:				
Central				
Purchased Services	6,433	6,052	3,745	2,307
Total - Central	6,433	6,052	3,745	2,307
Total - Support Services:	6,433	6,052	3,745	2,307
Total Expenditures	6,433	6,052	3,745	2,307
Excess of Revenues Over (Under) Expenditures	(1,912)	(1,912)	395	2,307
Net Change in Fund Balances	(1,912)	(1,912)	395	2,307
Fund Balance (Deficit) at Beginning of Year	1,913	1,913	1,913	0
Fund Balance (Deficit) at End of Year	<u>\$1</u>	<u>\$1</u>	<u>\$2,308</u>	<u>\$2,307</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Student Reading Intervention Grant  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$15,720	\$15,720	\$15,720	\$0
Total Revenues	15,720	15,720	15,720	0
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Purchased Services	2,000	500	500	0
Materials and Supplies	2,108	3,547	3,547	0
Total - Regular	4,108	4,047	4,047	0
Special				
Salaries	10,621	11,373	11,373	(1)
Total - Special	10,621	11,373	11,373	(1)
Total - Instruction:	14,729	15,420	15,420	(1)
Support Services:				
Pupil Transportation				
Salaries	1,320	629	629	0
Total - Pupil Transportation	1,320	629	629	0
Total - Support Services:	1,320	629	629	0
Total Expenditures	16,049	16,049	16,049	0
Excess of Revenues Over (Under) Expenditures	(329)	(329)	(329)	0
Net Change in Fund Balances	(329)	(329)	(329)	0
Fund Balance (Deficit) at Beginning of Year	329	329	329	0
Fund Balance (Deficit) at End of Year	\$0	\$0	\$0	\$0

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Miscellaneous State Grants  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$1,779	\$1,708	\$1,708	\$0
Total Revenues	<u>1,779</u>	<u>1,708</u>	<u>1,708</u>	<u>0</u>
EXPENDITURES:				
Current:				
Support Services:				
Business				
Purchased Services	1,550	1,708	1,708	0
Total - Business	<u>1,550</u>	<u>1,708</u>	<u>1,708</u>	<u>0</u>
Total - Support Services:	<u>1,550</u>	<u>1,708</u>	<u>1,708</u>	<u>0</u>
Total Expenditures	<u>1,550</u>	<u>1,708</u>	<u>1,708</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>229</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	229	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$229</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**IDEA B**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental	\$325,291	\$325,291	\$325,291	\$0
<b>Total Revenues</b>	<u>325,291</u>	<u>325,291</u>	<u>325,291</u>	<u>0</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Special</b>				
Salaries	24,768	17,157	17,157	0
Fringe Benefits	2,498	2,785	2,785	0
Purchased Services	54,916	64,181	64,181	0
Materials and Supplies	1,000	8,572	8,572	0
<b>Total - Special</b>	<u>83,182</u>	<u>92,695</u>	<u>92,695</u>	<u>0</u>
<b>Total - Instruction:</b>	<u>83,182</u>	<u>92,695</u>	<u>92,695</u>	<u>0</u>
<b>Support Services:</b>				
<b>Pupils</b>				
Salaries	129,505	119,934	110,074	9,860
Fringe Benefits	23,544	22,428	20,777	1,651
Purchased Services	49,718	48,251	48,251	0
<b>Total - Pupils</b>	<u>202,767</u>	<u>190,613</u>	<u>179,102</u>	<u>11,511</u>
<b>Instructional Staff</b>				
Salaries	22,206	24,444	21,625	2,819
Fringe Benefits	13,879	14,257	13,926	331
<b>Total - Instructional Staff</b>	<u>36,085</u>	<u>38,701</u>	<u>35,551</u>	<u>3,150</u>
<b>Administration</b>				
Salaries	6,162	6,162	6,162	
Fringe Benefits	989	1,014	1,013	1
<b>Total - Administration</b>	<u>7,151</u>	<u>7,176</u>	<u>7,175</u>	<u>1</u>
<b>Total - Support Services:</b>	<u>246,003</u>	<u>236,490</u>	<u>221,828</u>	<u>14,662</u>
<b>Total Expenditures</b>	<u>329,185</u>	<u>329,185</u>	<u>314,523</u>	<u>14,662</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(3,894)</u>	<u>(3,894)</u>	<u>10,768</u>	<u>14,662</u>
<b>Net Change in Fund Balances</b>	<u>(3,894)</u>	<u>(3,894)</u>	<u>10,768</u>	<u>14,662</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	1,395	1,395	1,395	0
<b>Prior Year Encumbrances Appropriated</b>	<u>2,499</u>	<u>2,499</u>	<u>2,499</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$0</u>	<u>\$0</u>	<u>\$14,662</u>	<u>\$14,662</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE III (IMMIGRANT)**  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$9,971	\$13,291	\$13,291	\$0
Total Revenues	<u>9,971</u>	<u>13,291</u>	<u>13,291</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	5,800	6,551	6,551	0
Materials and Supplies	3,571	6,336	6,336	0
Capital Outlay	150	221	221	0
Total - Special	<u>9,521</u>	<u>13,108</u>	<u>13,108</u>	<u>0</u>
Total - Instruction:	<u>9,521</u>	<u>13,108</u>	<u>13,108</u>	<u>0</u>
Support Services:				
Instructional Staff				
Purchased Services	450	183	183	0
Total - Instructional Staff	<u>450</u>	<u>183</u>	<u>183</u>	<u>0</u>
Total - Support Services:	<u>450</u>	<u>183</u>	<u>183</u>	<u>0</u>
Total Expenditures	<u>9,971</u>	<u>13,291</u>	<u>13,291</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I*  
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$59,553	\$57,759	\$52,397	(\$5,362)
Total Revenues	<u>59,553</u>	<u>57,759</u>	<u>52,397</u>	<u>(5,362)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	43,483	40,877	34,806	6,071
Fringe Benefits	6,675	6,742	5,440	1,302
Materials and Supplies	3,883	3,755	3,507	248
Total - Special	<u>54,041</u>	<u>51,374</u>	<u>43,753</u>	<u>7,621</u>
Total - Instruction:	<u>54,041</u>	<u>51,374</u>	<u>43,753</u>	<u>7,621</u>
Support Services:				
Instructional Staff				
Salaries	4,119	4,377	3,167	1,210
Fringe Benefits	678	720	521	199
Purchased Services	6,149	7,379	5,001	2,378
Materials and Supplies	657	0	0	0
Total - Instructional Staff	<u>11,603</u>	<u>12,476</u>	<u>8,689</u>	<u>3,787</u>
Administration				
Salaries	5,000	5,000	5,000	0
Total - Administration	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total - Support Services:	<u>16,603</u>	<u>17,476</u>	<u>13,689</u>	<u>3,787</u>
Total Expenditures	<u>70,644</u>	<u>68,850</u>	<u>57,442</u>	<u>11,408</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,091)</u>	<u>(11,091)</u>	<u>(5,045)</u>	<u>6,046</u>
Net Change in Fund Balances	(11,091)	(11,091)	(5,045)	6,046
Fund Balance (Deficit) at Beginning of Year	7,236	7,236	7,236	0
Prior Year Encumbrances Appropriated	<u>3,855</u>	<u>3,855</u>	<u>3,855</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$6,046</u>	<u>\$6,046</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
 Title V  
 For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$7,933	\$7,933	\$7,933	\$0
Total Revenues	<u>7,933</u>	<u>7,933</u>	<u>7,933</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	7,370	7,370	7,370	0
Total - Special	<u>7,370</u>	<u>7,370</u>	<u>7,370</u>	<u>0</u>
Total - Instruction:	<u>7,370</u>	<u>7,370</u>	<u>7,370</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	0	563	563	0
Materials and Supplies	563	0	0	0
Total - Community Services	<u>563</u>	<u>563</u>	<u>563</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>563</u>	<u>563</u>	<u>563</u>	<u>0</u>
Total Expenditures	<u>7,933</u>	<u>7,933</u>	<u>7,933</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance (Decifit) at Beginning of Year	0	0	0	0
Fund Balance (Decifit) at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Drug Free Education (Title IV-A)  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$5,568	\$5,568	\$5,568	\$0
Total Revenues	<u>5,568</u>	<u>5,568</u>	<u>5,568</u>	<u>0</u>
EXPENDITURES:				
Current:				
Support Services:				
Pupils	5,972	5,973	5,358	615
Operation of Non-Instructional Services:				
Community Services	<u>395</u>	<u>395</u>	<u>394</u>	<u>1</u>
Total Expenditures	<u>6,367</u>	<u>6,368</u>	<u>5,752</u>	<u>616</u>
Excess of Revenues Over (Under) Expenditures	<u>(799)</u>	<u>(800)</u>	<u>(184)</u>	<u>616</u>
Net Change in Fund Balances	(799)	(800)	(184)	616
Fund Balance (Deficit) at Beginning of Year	513	513	513	0
Prior Year Encumbrances Appropriated	<u>287</u>	<u>287</u>	<u>287</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$1</u></u>	<u><u>\$0</u></u>	<u><u>\$616</u></u>	<u><u>\$616</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Preschool Handicapped Grant  
 For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 12,172	\$ 13,173	\$ 13,172	\$ (1)
Total Revenues	<u>12,172</u>	<u>13,173</u>	<u>13,172</u>	<u>(1)</u>
EXPENDITURES:				
Current:				
Support Services:				
Instructional Staff	<u>12,172</u>	<u>13,173</u>	<u>13,172</u>	<u>1</u>
Total Expenditures	<u>12,172</u>	<u>13,173</u>	<u>13,172</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II-A*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$29,685	\$29,563	\$29,563	\$0
Total Revenues	<u>29,685</u>	<u>29,563</u>	<u>29,563</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Salaries	33,524	33,403	33,403	0
Total - Special	<u>33,524</u>	<u>33,403</u>	<u>33,403</u>	<u>0</u>
Total - Instruction:	<u>33,524</u>	<u>33,403</u>	<u>33,403</u>	<u>0</u>
Total Expenditures	<u>33,524</u>	<u>33,403</u>	<u>33,403</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,839)</u>	<u>(3,840)</u>	<u>(3,840)</u>	<u>0</u>
Net Change in Fund Balances	(3,839)	(3,840)	(3,840)	0
Fund Balance (Deficit) at Beginning of Year	<u>3,840</u>	<u>3,840</u>	<u>3,840</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$1</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II-D*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$1,576	\$1,535	\$1,535	\$0
Total Revenues	<u>1,576</u>	<u>1,535</u>	<u>1,535</u>	<u>0</u>
EXPENDITURES:				
Current:				
Instruction:				
Special				
Purchased Services	300	0	0	0
Materials and Supplies	665	965	965	0
Total - Special	<u>965</u>	<u>965</u>	<u>965</u>	<u>0</u>
Total - Instruction:	<u>965</u>	<u>965</u>	<u>965</u>	<u>0</u>
Support Services:				
Instructional Staff				
Purchased Services	500	823	823	0
Total - Instructional Staff	<u>500</u>	<u>823</u>	<u>823</u>	<u>0</u>
Total - Support Services:	<u>500</u>	<u>823</u>	<u>823</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	111	108	108	0
Total - Community Services	<u>111</u>	<u>108</u>	<u>108</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>111</u>	<u>108</u>	<u>108</u>	<u>0</u>
Total Expenditures	<u>1,576</u>	<u>1,896</u>	<u>1,896</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(361)</u>	<u>(361)</u>	<u>0</u>
Net Change in Fund Balances	0	(361)	(361)	0
Fund Balance (Deficit) Beginning of Year	1	1	1	0
Prior Year Encumbrances Appropriated	<u>361</u>	<u>361</u>	<u>361</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>\$362</u></u>	<u><u>\$1</u></u>	<u><u>\$1</u></u>	<u><u>\$0</u></u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Health Care Benefits*  
*For the Fiscal Year Ended June 30, 2005*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:				
Other Revenues	\$72,000	\$60,000	\$60,000	\$0
Total Operating Revenues	<u>72,000</u>	<u>60,000</u>	<u>60,000</u>	<u>0</u>
OPERATING EXPENSES:				
Claims	82,000	82,000	74,319	7,681
Total Operating Expenses	<u>82,000</u>	<u>82,000</u>	<u>74,319</u>	<u>7,681</u>
Operating Income (Loss)	<u>(10,000)</u>	<u>(22,000)</u>	<u>(14,319)</u>	<u>7,681</u>
Income (Loss) Before Contributions and Transfers	<u>(10,000)</u>	<u>(22,000)</u>	<u>(14,319)</u>	<u>7,681</u>
Net Change in Net Assets	(10,000)	(22,000)	(14,319)	7,681
Net Assets (Deficit) at Beginning of Year	<u>116,181</u>	<u>116,181</u>	<u>116,181</u>	<u>0</u>
Net Assets (Deficit) at End of Year	<u><u>\$106,181</u></u>	<u><u>\$94,181</u></u>	<u><u>\$101,862</u></u>	<u><u>\$7,681</u></u>

*This page intentionally left blank*



## Statistical Section

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

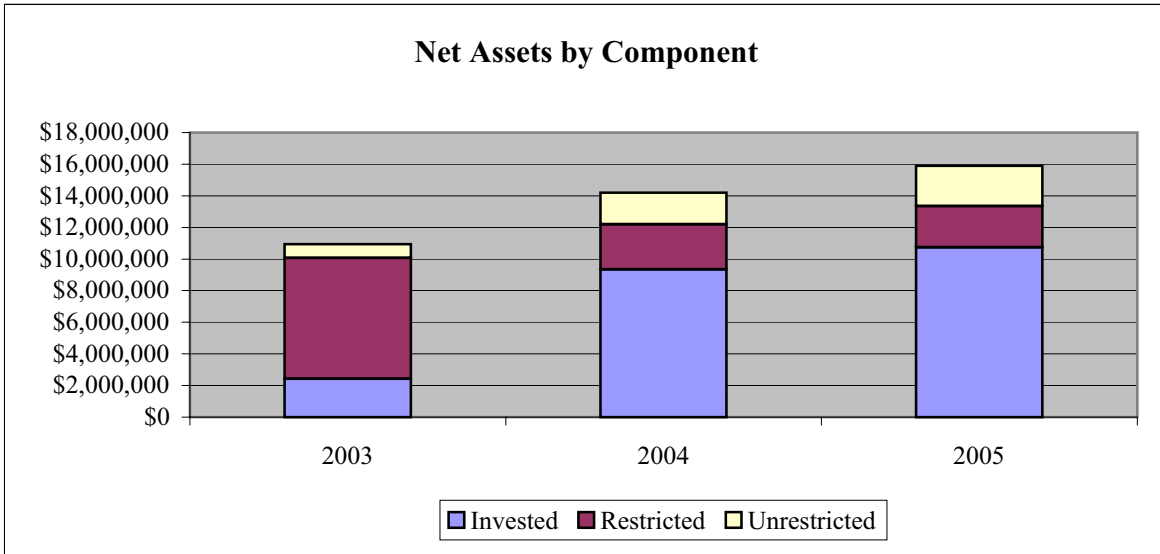
---

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	<b>S2 - S8</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	<b>S10-S16</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S17 – S19</b>
<b>Economic and Demographic Information</b> This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	<b>S21</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S22 – S30</b>

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

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

	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$ 2,427,232	\$ 9,336,218	\$ 10,745,501
Restricted for:			
Debt Services	1,353,347	1,720,016	1,801,050
Capital Outlay	6,108,033	881,458	514,338
Other Purposes	49,787	114,876	149,446
Set Asides	134,873	134,873	134,873
Unrestricted	876,587	2,011,674	2,556,168
<b>Total Net Assets</b>	<b>\$ 10,949,859</b>	<b>\$ 14,199,115</b>	<b>\$ 15,901,376</b>



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

	2005	2004	2003
<b>Expenses</b>			
Regular Instruction	\$11,054,568	\$10,041,085	\$10,778,243
Special Instruction	5,326,130	5,642,088	4,585,415
Vocational Instruction	989,488	924,719	1,022,011
Adult/Conintuing	182,946	222,285	171,353
Other Instruction	542,440	528,364	453,982
Pupils	3,003,113	2,916,828	2,688,550
Instructional Staff	792,912	999,100	971,811
Board of Education	392,751	424,172	284,394
Administration	2,307,273	2,467,679	2,398,216
Fiscal	784,491	748,653	696,353
Business	499,751	648,341	579,234
Operation and	3474546		
Maintenance of Plant	1,787,938	3,681,893	3,511,269
Pupil Transportation	856,973	1,984,406	1,764,492
Central	499,156	917,378	902,864
Non-instructional	240,432	689,308	683,080
Extracurricular Activities	942,705	957,096	944,606
Capital Outlay	0	0	647,931
Debt Service	863,055	937,935	1,027,560
<i>Total Expenses</i>	<u>\$34,540,668</u>	<u>\$34,731,330</u>	<u>\$34,111,364</u>
<b>Program Revenues</b>			
Charges for Services			
Regular Instruction	336,667	308,869	252,383
Special Instruction	1,324,456	1,178,598	2,195,528
Vocational Instruction	335,213	303,005	545,984
Adult/Conintuing	173,326	174,026	153,725
Other Instruction	456,480	442,970	399,689
Pupils	878,026	871,605	14,869
Instructional Staff	2,586	988	1,795
Administration	15,232	8,963	0
Fiscal	58,949	3,598	1,759
Business	42,313	14,752	6,121
Operation and			
Maintenance of Plant	250,604	253,837	179,262
Pupil Transportation	70,677	41,402	40,968
Central	25,650	30,350	20,950
Food Service Operations	326,338	303,674	301,359
Community Services	882	0	0
Extracurricular Activities	86,449	66,766	66,948

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

	2005	2004	2003
<b>Operating Grants and Contributions</b>			
Regular Instruction	106,578	20,741	23,646
Special Instruction	531,704	343,732	634,823
Vocational Instruction	349,405	391,124	303,901
Pupils	331,928	378,760	143,719
Instructional Staff	50,490	61,511	31,531
Administration	6,505	6,971	7,629
Business	1,708	5,600	1,550
Pupil Transportation	487,841	1,578	0
Central	36,715	39,356	27,891
Food Service Operations	29,677	25,941	25,726
Community Services	230,662	146,106	155,779
Extracurricular Activities	6,400		
<b>Capital Grants and Contributions</b>			
Vocational Instruction	122	0	0
Pupil Transportation	6,910	7,467	15,370
Central	0	0	23,719
<i>Total Program Revenues</i>	<u>6,562,498</u>	<u>5,434,294</u>	<u>5,578,627</u>
<b>Net Expenses</b>	<u>(\$27,978,170)</u>	<u>(\$29,297,036)</u>	<u>(\$28,532,737)</u>
<b>General Revenues</b>			
Grants and Entitlements not			
Restricted to Specific Services	3,916,894	4,549,844	4,089,674
Investment Earnings	139,814	125,271	364,914
Miscellaneous	32,150	61,711	(140,595)
Property and Other Local Taxes	<u>25,593,578</u>	<u>27,811,470</u>	<u>25,000,564</u>
<i>Total General Revenues</i>	<u>29,682,436</u>	<u>32,548,296</u>	<u>29,314,557</u>
<i>Change in Net Assets</i>	<u>\$1,704,266</u>	<u>\$3,251,260</u>	<u>\$781,820</u>

**Beachwood City School District**

Program Revenues by Source

Last Three Fiscal Years

(accrual basis of accounting)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Program Revenues</b>			
Charges for Services			
Regular Instruction	443,245	329,610	276,029
Special Instruction	1,856,160	1,522,330	2,830,351
Vocational Instruction	684,740	694,129	849,885
Adult/Conintuing	173,326	174,026	153,725
Other Instruction	456,480	442,970	399,689
Pupils	1,209,954	1,250,365	158,588
Instructional Staff	53,076	62,499	33,326
Administration	21,737	15,934	7,629
Fiscal	58,949	3,598	1,759
Business	44,021	20,352	7,671
Operation and			
Maintenance of Plant	250,604	253,837	179,262
Pupil Transportation	565,428	50,447	56,338
Central	62,365	69,706	72,560
Food Service Operations	356,015	329,615	327,085
Community Services	231,544	146,106	155,779
Extracurricular Activities	<u>92,849</u>	<u>66,766</u>	<u>66,948</u>
<i>Total Program Revenues</i>	<u><u>\$6,560,493</u></u>	<u><u>\$5,432,290</u></u>	<u><u>\$5,576,624</u></u>

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund				
Reserved	\$4,800,334	\$4,557,332	\$3,706,404	\$3,680,936
Unreserved	<u>(1,112,119)</u>	<u>(1,015,196)</u>	<u>(1,020,226)</u>	<u>157,538</u>
<i>Total General Fund</i>	<u>3,688,215</u>	<u>3,542,136</u>	<u>2,686,178</u>	<u>3,838,474</u>
All Other Governmental Funds				
Reserved	1,130,455	1,227,655	6,497,343	2,097,283
Unreserved, Undesignated, Reported in:				
Special Revenues funds	484,569	412,994	324,954	91,596
Debt Service funds	1,036,533	997,295	837,863	497,067
Capital Projects funds	<u>39,995</u>	<u>261,146</u>	<u>(145,974)</u>	<u>(829,197)</u>
Total All Other Governmental Funds	<u>2,691,552</u>	<u>2,899,090</u>	<u>7,514,186</u>	<u>1,856,749</u>
<i>Total Governmental Funds</i>	<u><u>\$6,379,767</u></u>	<u><u>\$6,441,226</u></u>	<u><u>\$10,200,364</u></u>	<u><u>\$5,695,223</u></u>

(continued)

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

2001	2000	1999	1998	1997	1996
\$2,325,915	\$2,095,574	\$2,424,648	\$2,210,927	\$1,067,097	\$254,251
1,278,414	1,951,234	2,430,382	1,917,374	1,867,331	1,477,102
3,604,329	4,046,808	4,855,030	4,128,301	2,934,428	1,731,353
1,738,416	300,409	716,315	1,889,931	392,460	38,146
271,591	277,736	113,763	64,482	24,369	25,133
736,138	649,499	580,778	484,592	561,849	133,049
3,885,555	(2,592,695)	(3,516,822)	(3,973,593)	28,935	536,587
6,631,700	(1,365,051)	(2,105,966)	(1,534,588)	1,007,613	732,915
<u>\$10,236,029</u>	<u>\$2,681,757</u>	<u>\$2,749,064</u>	<u>\$2,593,713</u>	<u>\$3,942,041</u>	<u>\$2,464,268</u>

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

	2005	2004	2003	2002	2001
<b>General Revenues</b>					
Property and Other Local Taxes	\$25,307,928	\$27,589,977	\$24,239,246	\$24,352,420	\$23,502,664
Intergovernmental	6,093,461	6,142,734	5,261,381	3,661,088	3,395,422
Interest	140,974	125,949	365,761	402,251	878,815
Tuition and Fees/Rent	3,369,859	3,161,659	3,424,098	568,401	689,572
Miscellaneous Revenue from Local Sources	1,003,425	931,549	793,879	153,875	280,077
<i>Total Revenues</i>	<u>\$35,915,647</u>	<u>\$37,951,868</u>	<u>\$34,084,365</u>	<u>\$29,138,035</u>	<u>\$28,746,550</u>
<b>Expenditures</b>					
Instruction	\$17,300,556	\$18,098,823	\$16,678,096	\$12,844,431	\$12,605,104
Support Services:					
Pupil	3,074,384	2,858,960	2,614,236	1,636,458	1,516,119
Instructional Staff	788,195	941,951	966,523	1,082,394	1,061,254
Board of Education	369,854	401,284	263,595	294,226	373,165
Administration	2,291,300	2,487,798	2,466,060	2,235,020	2,330,887
Fiscal	769,006	754,590	688,430	714,044	673,265
Business	479,302	668,183	580,659	634,439	605,469
Operation and Maintenance of Plant	3,415,354	3,538,967	3,491,718	3,374,674	3,479,271
Pupil Transportation	1,821,183	1,871,614	1,646,430	1,525,891	1,593,911
Central	1,077,752	983,114	1,029,550	748,401	956,460
Non-instructional	694,863	633,396	626,473	179,397	170,435
Extracurricular Activities	911,114	918,184	932,594	808,626	644,800
Capital Outlay	400,279	4,900,809	11,379,293	5,012,396	877,418
Debt Service	2,893,925	3,233,845	2,659,098	2,718,072	2,396,940
<i>Total Expenditures</i>	<u>36,287,067</u>	<u>42,291,518</u>	<u>46,022,755</u>	<u>33,808,469</u>	<u>29,284,498</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(371,420)</u>	<u>(4,339,650)</u>	<u>(11,938,390)</u>	<u>(4,670,434)</u>	<u>(537,948)</u>
<b>Other Financing Sources/(Uses)</b>					
Operating Transfers In	205,500	270,709	310,800	270,400	180,000
General Obligation Bonds Issued	0	0	18,814,982	0	0
Proceed from Sale of Bonds	0	0	0	0	0
Proceeds from Sale of Fixed Assets	41,632	7,850	8,900	2,320	3,140
Inception of Capital Lease	268,329	583,198	214,273	400,175	0
Other Financing Sources	0	0	503,415	0	0
Operating Transfers Out	(205,500)	(270,709)	(315,574)	(543,267)	(450,920)
Refund of Prior Year Expenditures/Receipts	0	(10,536)	(1,666)	0	0
Advanced Refunding of Bonds	0	0	(3,192,846)	0	0
	309,961	580,512	16,342,284	129,628	(267,780)
<i>Net Changes in Fund Balances</i>	<u>(\$61,459)</u>	<u>(\$3,759,138)</u>	<u>\$4,403,894</u>	<u>(\$4,540,806)</u>	<u>(\$805,728)</u>
Debt Services as a percentage of Noncapital expenditures	8.06%	8.65%	7.68%	9.44%	8.44%



2000	1999	1998	1997	1996
\$21,002,499	\$20,719,786	\$19,449,366	\$18,175,790	\$16,820,262
3,243,150	3,005,697	2,860,399	2,639,869	2,567,366
508,082	507,979	601,658	367,995	295,981
184,932	119,779	271,174	319,637	110,543
144,987	134,283	184,189	326,366	191,016
<u>\$25,083,650</u>	<u>\$24,487,524</u>	<u>\$23,366,786</u>	<u>\$21,829,657</u>	<u>\$19,985,168</u>
\$11,113,420	\$10,388,348	\$9,860,319	\$9,143,945	\$8,582,108
1,300,244	1,273,637	1,376,326	1,373,997	1,315,617
1,001,575	877,895	852,345	839,080	889,908
592,182	286,573	231,410	223,210	185,688
2,033,370	2,044,858	1,792,529	1,688,657	1,828,819
703,634	654,159	598,323	608,885	577,656
595,903	470,691	490,540	451,768	505,604
3,141,249	2,880,359	2,553,557	2,593,216	2,609,021
1,331,368	1,278,456	1,248,385	1,246,916	1,316,064
775,876	704,400	785,870	546,753	703,174
149,758	169,705	127,888	128,952	141,037
504,065	465,447	459,801	387,467	374,031
801,860	1,915,511	3,672,916	505,973	498,291
1,094,285	929,436	807,041	629,840	780,326
<u>25,138,789</u>	<u>24,339,475</u>	<u>24,857,250</u>	<u>20,368,659</u>	<u>20,307,344</u>
<u>(55,139)</u>	<u>148,049</u>	<u>(1,490,464)</u>	<u>1,460,998</u>	<u>(322,176)</u>
191,488	145,695	78,000	87,353	280,184
0		0	0	0
127,000	93,000	110,000	118,000	0
715	870	9,286	0	0
0		0	0	0
0		0	0	0
(331,371)	(282,773)	(198,600)	(188,578)	(379,208)
0	50,510	136,592	0	0
		0	0	0
<u>(12,168)</u>	<u>7,302</u>	<u>135,278</u>	<u>16,775</u>	<u>(99,024)</u>
<u>(\$67,307)</u>	<u>\$155,351</u>	<u>(\$1,355,186)</u>	<u>\$1,477,773</u>	<u>(\$421,200)</u>
4.50%	4.14%	3.81%	3.17%	3.94%

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

Collection Year	Real Estate		Tangible Personal	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$686,967,660	\$1,955,623,608	\$52,508,168	\$210,032,672
2004	695,539,230	1,985,157,689	59,598,455	238,393,820
2003	631,058,390	1,807,582,184	72,216,204	288,864,816
2002	635,127,740	1,777,893,018	77,360,149	309,440,596
2001	624,841,070	1,760,134,036	73,392,504	293,570,016
2000	557,294,010	1,560,813,961	68,012,471	272,049,884
1999	547,253,530	1,528,610,445	64,860,358	259,441,432
1998	525,888,420	1,469,939,277	53,657,332	214,629,328
1997	488,590,370	1,361,512,396	48,897,801	195,591,204
1996	474,195,030	1,305,132,947	43,496,246	173,984,984

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

\*Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal, and is 25 percent of listed true value for tangible personal property and 88 percent for public utility property.

**Beachwood City School District**  
**Property Tax Rates - Direct and Overlapping**  
**(per \$1,000 Assessed Valuation)**  
**Last Ten Calendar Years**

Tax Year/ Collection Year	School Levy	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy		
					School	County	Total
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98
2003/2004	77.50	19.40	4.00	100.90	3.00	0.91	3.91
2002/2003	77.50	17.60	4.00	99.10	3.00	0.86	3.86
2001/2002	67.90	17.60	4.00	89.50	1.40	0.86	2.26
2000/2001	67.90	17.60	4.00	89.50	1.40	0.79	2.19
1999/2000	68.00	16.70	4.00	88.70	1.50	0.85	2.35
1998/1999	68.10	16.70	4.00	88.80	1.60	0.72	2.32
1997/1998	67.50	18.00	4.00	89.50	1.00	0.60	1.60
1996/1997	67.80	18.00	4.00	89.80	1.30	0.90	2.20
1995/1996	65.10	18.00	4.00	87.10	1.30	0.87	2.17

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

**Beachwood City School District**  
Property Tax Levies and Collections  
Real and Personal Property Taxes (1)  
Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of		Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
					Current Levy Collected	Current Levy Collected			
2004/2005	\$30,107,604	\$2,913,528	\$33,021,132	\$27,513,823	91.38%	\$742,933	\$28,256,756	93.9%	
2003/2004	30,327,678	2,136,544	32,464,222	28,239,734	93.12%	893,478	29,133,212	96.1%	
2002/2003	30,062,190	1,842,359	31,904,549	26,350,939	87.65%	380,546	26,731,485	88.9%	
2001/2002	25,229,116	2,485,421	27,714,537	23,490,605	93.11%	1,334,269	24,824,874	98.4%	
2000/2001	24,043,459	1,313,444	25,356,903	22,496,799	93.57%	1,468,741	23,965,540	99.7%	
1999/2000	23,369,923	1,153,949	24,523,872	22,756,093	97.37%	662,490	23,418,583	100.2%	
1998/1999	22,044,802	1,163,401	23,208,203	21,118,474	95.80%	752,386	21,870,860	99.2%	
1997/1998	20,900,491	1,244,733	22,145,224	19,998,904	95.69%	599,164	20,598,068	98.6%	
1996/1997	18,596,070	1,236,807	19,832,877	18,100,987	97.34%	643,217	18,744,204	100.8%	
1995/1996	18,267,474	1,140,768	19,408,242	17,099,591	93.61%	390,735	17,490,326	95.7%	

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

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

**Beachwood City School District**  
Principal Property Taxpayers  
Real Estate Tax  
December 31, 2004 and December 31, 1995

December 31, 2004			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$44,489,830	12.98%
Bracebridge Corp.	Retail	31,490,670	9.19%
Cleveland Clinic	Health Care	13,373,470	3.90%
Hamptons Apartment	Apartments	10,846,510	3.16%
Doublewood Corp.	Hotel	10,770,100	3.14%
Village Green of Beachwood	Condominiums	9,913,130	2.89%
Beachwood Place	Retail	9,285,860	2.71%
Four Seasons	Apartments	8,196,360	2.39%
Dillards	Retail	7,418,220	2.16%
RLJ Beachwood	Hotel	6,475,630	1.89%
		<u>\$152,259,780</u>	<u>44.41%</u>
Total Commercial Valuation		<u>\$342,825,810</u>	

December 31, 1995			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$14,000,000	6.57%
Mark IV	Apartments	10,288,360	4.83%
Cleveland Electric Illuminating	Public Utility	9,831,860	4.61%
Village Greens	Apartments	9,128,780	4.28%
Ohio Bell Telephone	Public Utility	7,490,680	3.51%
GSK Associates	Office buildings	6,300,010	2.96%
Beachwood Hotel Joint Venture	Hotel	5,958,750	2.80%
Embassy Equity Development Corp	Hotel	4,970,000	2.33%
Beachwood Care Center	Unknown	4,620,000	2.17%
Porter Properties	Office buildings	4,155,560	1.95%
		<u>\$76,744,000</u>	<u>36.01%</u>
Total Commercial Valuation		<u>\$213,121,340</u>	

Source: Cuyahoga County Auditor

**Beachwood City School District**  
Principal Property Taxpayers  
Tangible Personal Property Tax  
December 31, 2004 and December 31, 1995

		December 31, 2004	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
MBNA Ohio Properties, Inc.	Banking	\$4,603,700	8.77%
The Higbee Company	Retail sales	2,980,850	5.68%
Nordstrom Inc.	Retail sales	2,760,770	5.26%
Crestmont Cadillac	Car dealership	2,604,700	4.96%
Saks Fifth Avenue	Retail sales	1,772,030	3.37%
Hexagram Inc.	Retail sales	1,580,970	3.01%
De Lage Landed Services LLC	Service	1,546,660	2.95%
Tremco	Roofing	1,521,860	2.90%
Engelhard Corp.	Research & Development	945,860	1.80%
DeGussa Construction Chemicals	Construction	848,850	1.62%
Officemax, Inc.	Retail sales	845,940	1.61%
Developers Diversified	Advertisement	840,210	1.60%
<b>Total</b>		<b>\$22,852,400</b>	<b>43.52%</b>
<b>Total Tangible Personal Property Valuation</b>		<b>\$52,508,168</b>	

		December 31, 1995	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
The Higbee Company	Retail sales	\$2,714,560	6.24%
MBNA Ohio Properties, Inc.	Banking	1,610,957	3.70%
Master Builders	Concrete additives	1,341,300	3.08%
Saks Fifth Avenue	Retail sales	1,126,740	2.59%
Borders Inc.	Retail sales	1,116,670	2.57%
First National Supermarkets	Grocery	954,450	2.19%
Englehard Corp.	Research & Development	895,580	2.06%
CompUSA, Inc.	Computer retail store	834,390	1.92%
Nook Industries	Fasteners	796,760	1.83%
Tremco, Inc.	Liquid roof coverings	777,140	1.79%
<b>Total</b>		<b>\$12,168,547</b>	<b>27.98%</b>
<b>Total Tangible Personal Property Valuation</b>		<b>\$43,496,246</b>	

**Beachwood City School District**  
Principal Property Taxpayers  
Public Utility Tax  
December 31, 2004 and December 31, 1995

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

		December 31, 1995	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$9,831,860	52.06%
Ohio Bell	Telephone	7,490,680	39.66%
Total		<u>\$17,322,540</u>	<u>91.72%</u>
Total Tangible Personal Property Valuation		<u>\$18,884,910</u>	

Source: Cuyhoga County Auditor

**Beachwood City School District**  
Principal Employers  
December 31, 2004

Employer	Type of Business	Number of Employees
MBNA	Regional Customer Service	2,000
Menorah Park Center	Skilled Nursing Homes	780
Maxim Healthcare Services, Inc.	Home Health Care	600
Beachwood City School District	Public Education	425 *
Cleveland Clinic Foundation	Health Care	400
Nordstrom, Inc.	Retail	375
Developer's Diversified Realty	Real Estate Agency	350
Penske's Logisitcs	Supply-chain Solutions	350
Dillard's	Retail	300
Ross Transporation LLC	Shipping Service	300
Total		<u>5,880</u>
Total employment within the School District		<u>n/a</u>

Source: 2004 Harris Ohio Industrial Services Directories, individual employers and City of Beachwood records.

\* Includes seasonal/substitute employees

n/a - Information not available



**Beachwood City School District**  
 Computation of Direct and Overlapping Debt  
 General Obligation  
 As of December 31, 2004

<u>Jurisdiction</u>	<u>General Obligation Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<i>Direct Debt:</i>			
Beachwood City School District	\$16,060,022	100.00%	\$16,060,022
<i>Overlapping Debt:</i>			
Cuyahoga County	249,645,029	2.41%	6,016,445
Regional Transit Authority	147,025,000	2.41%	3,543,303
City of Beachwood	20,467,000	99.6700%	20,399,459
City of Pepper Pike	6,295,245	0.3300%	20,774
 Total	 <u>\$439,492,296</u>		 <u>\$46,040,003</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 2004 collection year.

**Beachwood City School District**

Ratio of Net General Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita  
Last Ten Years

Year	Gross General Bonded Debt	Less Debt Service Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net General Bonded Debt Per Capita
2005	\$16,060,022	\$1,710,750	\$14,349,272	\$739,475,828	12,000	1.94%	\$1,196
2004	17,509,982	1,638,443	15,871,539	755,137,685	12,000	2.10%	1,323
2003	18,889,982	1,305,760	17,584,222	703,274,594	12,000	2.50%	1,465
2002	3,859,000	955,728	2,903,272	712,487,889	12,000	0.41%	242
2001	4,558,000	1,039,085	3,518,915	698,233,574	12,000	0.50%	293
2000	5,213,000	739,024	4,473,976	625,306,481	12,000	0.72%	373
1999	5,672,000	662,489	5,009,511	612,113,888	12,000	0.82%	417
1998	5,941,000	521,562	5,419,438	579,545,772	12,000	0.94%	452
1997	5,980,000	90,045	5,889,955	537,488,171	12,000	1.10%	491
1996	6,200,000	97,258	6,102,742	517,691,276	12,000	1.18%	509

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

**This Page is Intentionally Left Blank.**

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assessed Valuation	<u>\$739,475,828</u>	<u>\$755,137,685</u>	<u>\$703,274,594</u>	<u>\$712,487,889</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$66,552,825	\$67,962,392	\$63,294,713	\$64,123,910
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	16,060,022	17,509,982	18,814,982	19,465,000
Voted Debt Margin	<u>\$50,492,803</u>	<u>\$50,452,410</u>	<u>\$44,479,731</u>	<u>\$44,658,910</u>
Bonded Debt Limit - .1% of Assessed Value (1)	\$739,476	\$755,138	\$703,275	\$712,488
Unvoted Debt Margin	<u>\$739,476</u>	<u>\$755,138</u>	<u>\$703,275</u>	<u>\$712,488</u>

(continued)

Source: Cuyahoga County Auditor

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

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>\$698,233,574</u>	<u>\$625,306,481</u>	<u>\$612,113,888</u>	<u>\$579,545,772</u>	<u>\$537,488,171</u>	<u>\$517,691,276</u>
\$62,841,022	\$56,277,583	\$55,090,250	\$52,159,119	\$48,373,935	\$46,592,215
4,320,000	4,885,000	5,415,000	5,735,000	5,980,000	6,200,000
<u>\$58,521,022</u>	<u>\$51,392,583</u>	<u>\$49,675,250</u>	<u>\$46,424,119</u>	<u>\$42,393,935</u>	<u>\$40,392,215</u>
\$698,234	\$625,306	\$612,114	\$579,546	\$537,488	\$517,691
<u>\$698,234</u>	<u>\$625,306</u>	<u>\$612,114</u>	<u>\$579,546</u>	<u>\$537,488</u>	<u>\$517,691</u>

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

Year	Population (1)	Total Personal Income	Median Household Income (2)	Cuyahoga County Unemployment Rate (3)
2004	12,186	Not available	Not available	6.20%
2003	12,186	\$1,087,716,067	\$89,259	6.2
2002	12,186	1,087,328,133	89,228	6.6
2001	12,186	1,066,696,933	87,535	4.6
2000	12,186	917,994,467	75,332	4.5
1999	12,000	954,851,667	79,571	4.5
1998	12,000	945,753,267	78,813	4.5
1997	12,000	859,620,600	71,635	5.8
1996	12,000	847,901,133	70,658	5.2
1995	12,000	796,314,133	66,360	4.8

Source:

(1) Federal Census

(2) Ohio Department of Taxation

(3) City of Beachwood

**Beachwood City School District**  
 Building Statistics by Function/Program  
 Current Fiscal Year

---

**Fairmount Elementary School**

Constructed in 1998	
Total Building Square Footage	26,987
* Enrollment Grades PreK - K	107
Student Capacity	220
Regular Instruction Classrooms	8
Regular Instruction Teachers	8
Special Instruction Classrooms	3
Special Instruction Teachers	2.5
* Only includes special ed. Pre-k	

**Bryden Elementary School**

Constructed in 1958	
Additions in 1991 and 2002	
Total Building Square Footage	50,289
Enrollment Grades 1 - 3	272
Student Capacity	510
Regular Instruction Classrooms	13
Regular Instruction Teachers	13
Special Instruction Classrooms	3
Special Instruction Teachers	3.0

**Hilltop Elementary School**

Constructed in 1957	
Addition in 2002	
Total Building Square Footage	51,200
Enrollment Grades 4 - 6	346
Student Capacity	731
Regular Instruction Classrooms	16
Regular Instruction Teachers	16
Special Instruction Classrooms	3
Special Instruction Teachers	4.0

**Beachwood Middle School**

Constructed in 2003	
Total Building Square Footage	98,000
Enrollment Grades 7 - 8	225
Student Capacity	560
Regular Instruction Classrooms	27
Regular Instruction Teachers	27
Special Instruction Classrooms	3
Special Instruction Teachers	2.0

**Beachwood High School**

Constructed in 1958	
Additions in 2002 and 2003	
Total Building Square Footage	208,509
Enrollment Grades 9 - 12	655
Student Capacity	1,180
Regular Instruction Classrooms	40
Regular Instruction Teachers	45
Special Instruction Classrooms	6
Special Instruction Teachers	7.0

**Beachwood City School District**

## Per Pupil Cost

## Last Ten Fiscal Years

---

---

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2005	\$27,462,681	1,541	\$17,821	-3.76%
2004	28,498,892	1,539	18,518	1.90%
2003	27,641,345	1,521	18,173	10.91%
2002	24,922,718	1,521	16,386	6.09%
2001	25,144,577	1,628	15,445	7.58%
2000	22,596,789	1,574	14,356	7.49%
1999	20,687,836	1,549	13,356	4.91%
1998	19,450,937	1,528	12,730	1.06%
1997	18,566,331	1,474	12,596	3.17%
1996	18,130,071	1,485	12,209	-0.12%



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

<u>Fiscal Year</u>	<u>Beachwood Attendance Rate</u>	<u>State Average</u>	<u>Beachwood Graduation Rate</u>	<u>State Average</u>
2005	96.20%	94.30%	97.90%	85.90%
2004	96.5	94.5	97.3	84.3
2003	95.6	94.5	97.2	83.9
2002	96.3	94.3	97.2	82.8
2001	96.8	93.9	97.6	81.2
2000	95.8	93.6	96.9	80.7
1999	95.4	93.5	97.2	81.4
1998	94.5	93.9	97.8	79.9

Source: Ohio Department of Education Local Report Cards

**Beachwood City School District**  
School District Employees by Function/Program  
Current Fiscal Year

Function/Program	2005
<b>Regular Instruction</b>	
Preschool Classroom Teachers	3.00
Elementary Classroom Teachers	64.50
High School Classroom Teachers	34.00
<b>Special Instruction</b>	
Preschool Special Ed.	1.67
ELS Classroom Teachers	6.00
Language Delayed	2.00
Multi-Handicapped	2.00
Deaf/Hard of Hearing	4.00
Special Ed Assistants	32.00
Gifted Education Teachers	6.00
<b>Vocational Instruction</b>	
High School Classroom Teachers	5.00
<b>Pupil Support Services</b>	
Guidance Counselors	6.00
Librarians	3.00
Psychologists	3.00
Speech & Lang Pathologists	4.00
Nurse	3.00
Educational Interpreters	13.00
Occupational Therapist	1.00
<b>Administrators</b>	
Elementary	4.00
High School	3.00
<b>Operation of Plant</b>	
Cleaners	11.00
Custodians	11.00
Maintenance	5.00
<b>Pupil Transportation</b>	
Bus Drivers	24.00
Mechanics	2.00
<b>Food Service Program</b>	
High School Cooks	3.00
Food Service Worker	4.00
<b>Totals</b>	260.17

**Beachwood City School District**  
 Full-Time Equivalent School District Teachers by Education  
 Last Two Fiscal years

Degree	2005	2004
Beachelor's Degree	11	11
Bachelor+ 12	8	10
Beachelor + 24	15	17
Beachelor + 30	4	5
Master's Degree	79	84
Master + 12	14	15
Master + 24	10	5
Master + 36	9	9
Master + 60	12	17
Total	<u>162</u>	<u>173</u>

Source: School District Records

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

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle School/ High School</u>	<u>Total</u>
2005	725	880	1,605
2004	687	909	1,596
2003	676	902	1,578
2002	661	882	1,543
2001	779	883	1,662
2000	768	841	1,609
1999	838	838	1,676
1998	830	843	1,673
1997	801	790	1,591
1996	864	782	1,646

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

School Year	Number of Test Takers	Number of Seniors	Beachwood Composite	Ohio Composite	National Composite
2005	197	97	24.5	21.4	20.9
2004	198	101	25.4	21.4	20.9
2003	203	102	24.2	21.4	20.8
2002	191	89	23.3	21.4	20.8
2001	162	73	25.1	21.4	21.0
2000	169	96	23.6	21.4	21.0
1999	190	94	24.4	21.4	21.0

Source: High School Guidance Department  
 Beachwood City School District

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

---



---

<u>School Year</u>	<u>Number of Senior Test Takers</u>	<u>Beachwood Verbal</u>	<u>Ohio Verbal</u>	<u>National Verbal</u>	<u>Beachwood Math</u>	<u>Ohio Math</u>	<u>National Math</u>
2005	96	575	539	508	604	543	520
2004	99	587	538	508	577	542	518
2003	111	562	536	507	580	541	519
2002	113	549	533	504	556	540	516
2001	83	563	534	506	577	539	514
2000	106	537	533	505	546	539	514
1999	109	560	534	505	577	538	511

Source: High School Guidance Department  
 Beachwood City School District

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

Fiscal Year	Beachwood Average	State Average
2005	12.3	18.5
2004	12.3	18.5
2003	10.0	16.5
2002	10.7	16.9
2001	11.1	18.0
2000	11.9	18.1
1999	12.1	18.6
1998	12.9	20.4
1997	12.9	20.7
1996	13.4	20.8

Source: Ohio Department of Education, Local Report Card







**Auditor of State  
Betty Montgomery**

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

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 30, 2005**