



Dave Yost • Auditor of State

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By <i>Government Auditing Standards</i>	3
Independent Auditor's Report on Compliance with Requirements Applicable to Its Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Schedule of Federal Awards Receipts and Expenditures.....	5
Schedule of Findings.....	9

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
National School Lunch Program	10.555	\$55,708	\$17,243	\$55,708	\$17,243
Total U.S. Department of Agriculture		<u>55,708</u>	<u>17,243</u>	<u>55,708</u>	<u>17,243</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education - Grants to States - FY 2013	84.027	0	0	4,665	0
Special Education - Grants to States - FY 2014	84.027	370,229	0	367,789	0
Total Special Education: Grants to States		<u>370,229</u>	<u>0</u>	<u>372,454</u>	<u>0</u>
Special Education - Preschool Grant	84.173	10,284		10,284	0
Total Special Education : Preschool Grant		<u>10,284</u>	<u>0</u>	<u>10,284</u>	<u>0</u>
Total Special Education Cluster		<u>380,513</u>	<u>0</u>	<u>382,738</u>	<u>0</u>
Title I - Grants to Local Educational Agencies - FY 2013	84.010	3,805		3,894	0
Title I - Grants to Local Educational Agencies - FY 2014	84.010	127,491		113,234	0
Total Title I - Grants to Local Educational Agencies		<u>131,296</u>	<u>0</u>	<u>117,128</u>	<u>0</u>
Title III LEP - English Language Acquisition Grants	84.365	15,152	0	15,152	0
Title II-A - Improving Teacher Quality Grants	84.367	22,874	0	22,874	0
ARRA - Race to the Top	84.395	28,465	0	27,245	0
Total U.S. Department of Education		<u>578,300</u>	<u>0</u>	<u>565,137</u>	<u>0</u>
Total Federal Financial Assistance		<u>\$634,008</u>	<u>\$17,243</u>	<u>\$620,845</u>	<u>\$17,243</u>

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
JUNE 30, 2014**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2014

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2014



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Beachwood City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Beachwood City School District's major federal program for the year ended June 30, 2014. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Beachwood City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Federal Awards Receipts and Expenditures Required by OMB Circular A-133

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated October 22, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2014

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2014



Prepared by Treasurer's Department

Michele E. Mills, Director of Finance/Treasurer
Kathleen Stroski, Assistant Treasurer
April Yuhas, Payroll
Greg Minotas, Purchasing Agent
Mary Lee Ryan, EMIS
Kelly Wright, Accounts Payable

24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014
Table of Contents

Page

Introductory Section

Table of Contents	i
Letter of Transmittal.....	1
Board Members and Appointed Officials.....	8
Organizational Chart	9
GFOA Certificate of Achievement	10

Financial Section

Independent Auditor’s Report	11
Management’s Discussion and Analysis	14

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position.....	23
Statement of Activities.....	24

Fund Financial Statements:

Balance Sheet – Governmental Funds	26
Statement of Revenues, Expenditures and Changes in Fund Balances – 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 Position – Proprietary Fund	32
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	33
Statement of Cash Flows – Proprietary Fund.....	34
Statement of Fiduciary Net Position – Agency Fund	35

Notes to the Basic Financial Statements	37
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BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014
Table of Contents

Combining Statements and Individual Fund Schedules:

Combining Statements – Non-major Governmental Funds:

Description of Funds	69
Combining Balance Sheet – Non-Major Governmental Fund	71
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Fund.....	72
Combining Balance Sheet – Non-Major Special Revenue Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Special Revenue Funds.....	78

Combining Statements – Fiduciary Funds:

Description of Funds	82
Combining Statements of Changes in Position and Liabilities – Agency Funds.....	83

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

Major Funds:

General Fund	84
Bond Retirement Fund.....	88
Permanent Improvement Fund.....	89
Building	90
Consortium Fund	92

NonMajor Funds:

Food Service	94
Expendable Trust	95
Uniform Supplies	96
Marketing Store	97
Recreation	98
Pupil Support	99
Misc. Local Grants	100
Preschool	101
District Managed Student Activities	102
Auxiliary Services	103
One Net	104
Race to the Top (RttT) Grant.....	105
IDEA B	106
Title III	107
Title I	108

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014
Table of Contents

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

Preschool Handicapped Grant	109
Title II-A	110
Health Care Benefits.....	111

Statistical Tables

Financial Trends

Statistical Section Contents	S 1
Net Position by Component Last Ten Fiscal Years	S 3
Changes in Net Position of Governmental Activities Last Ten Fiscal Years	S 4 – S 6
Fund Balances, Governmental Funds Last Four Fiscal Years	S 7
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years	S 8 – S 9

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 – Public Utility Property Tax.....	S 14

Debt Capacity

All Outstanding Debt Last Ten Years	S 15
Computation of Direct and Overlapping Debt.....	S 16
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Years.....	S 17
Computation of Legal Debt Margin Last Ten Years.....	S 18 – S 19

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014
Table of Contents

Statistical Tables, continued

Economic and Demographic Information and Operating Information

Demographic and Economic Statistics Last Ten Years	S 20
Principal Employers	S 21
Building Statistics by Function/Program Last Eight Years.....	S 22
Per Pupil Cost Last Ten Fiscal Years	S 23
Attendance and Graduation Rates Last Ten Years	S 24
School District Employees by Function/Department Last Nine Fiscal Years	S 25
Full-Time Equivalent School District Teachers by Education Last Ten Fiscal Years.....	S 26
Enrollment Statistics Last Ten Fiscal Years.....	S 27
ACT Composite Scores Last Ten School Years.....	S 28
SAT Composite Scores Last Ten School Years	S 29
Average Numbers of Students per Teacher Last Ten School Years.....	S 30

INTRODUCTORY

SECTION



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

October 22, 2014

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

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District (the “School District”) for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

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

Management’s Discussion and Analysis (MD&A) immediately follows the Independent Auditor’s Report and provides an overview and analysis of the basic financial statements.

The School District

The School District was formed in 1915 and is located in a prosperous suburban area east of Cleveland, Ohio. The community’s tax base is evenly distributed between commercial and residential property. The School District serves 1,526 students from Pre-K through 12th grade in five instructional facilities.

Major Initiatives

Mission and Vision

All of our efforts as educators in the School District are driven by our mission statement: To develop intellectual entrepreneurs with a social conscience. The mission of the Beachwood City School District is short in length and powerful in vision. We believe that we must develop adults who are seekers of knowledge, creative, flexible, and reflective – in other words, an intellectual capacity. These adults are risk-takers,

visionaries, brokers, passionate, and committed to excellence. Beachwood students also enjoy experiences where they learn to be globally responsible, altruistic, and environmentally, culturally and politically sensitive.

Board of Education Goals

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

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

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

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

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

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

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

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

Major Initiatives and Accomplishments

2013-2014 Academic Achievements:

Student Learning Standards

In recent months, much media attention has been focused on the new Learning Standards being implemented state-wide by the Ohio Department of Education. These Ohio Learning Standards reflect the National Learning Standards, commonly labeled as the Common Core. Regardless of one's political stance on the topic, schools, including ours, have been charged with the task of revamping curriculum and instruction to conform to the new standards. In Beachwood, that has meant reorganizing our curriculum to incorporate compressed and accelerated content, but doing so in a manner that is conducive to the distinct needs of our district. So, while our curriculum conforms to the requirements of state and national standards, it also reflects the interpretation and input of Beachwood's teachers and administrators. Thus it is carefully tailored to address the needs of our own student population.

District Report Card

While not yet official, Beachwood's preliminary grades on the soon-to-be-released Ohio Department of Education's Local District Report Card promise to be its best ever. While that is an accomplishment worthy of celebration, it cannot be an excuse for complacency. We are constantly seeking ways to expand and enhance learning opportunities for our students. As one of Ohio's highest performing districts, Beachwood's performance index continues to show steady progress over time.

Academic Distinctions

Within its healthy scholastic and financial climate, Beachwood's students thrive. They excel in the areas of academics, the arts, and athletics. Our school buildings are home to several noteworthy educational programs. Elementary science instruction in the regular classroom is enhanced by a student pull-out program for hands-on science experiments that are facilitated by an elementary science coordinator. A Gifted and Talented Program provides academic enrichment for students who are cognitively gifted. A district math coordinator works with teachers to promote achievement in mathematics, the success of which is evident in our students' outstanding math scores. Special education assistance is available to students who need it, and acceleration opportunities are available to qualified students in all academic areas.

Beachwood Middle School was recently re-designated a National School to Watch, a status it first achieved in 2008. A rising number of Beachwood High School students are enrolled in Advanced Placement courses for which they can receive college credit. In the 2013-2014 school year, high school student enrollment in Advanced Placement courses rose by 48%.

Student Successes

Beachwood was well-represented at a host of state and national competitions this past school year. In May 2014, the high school Robotics Team was named OhioFIRST state champion. In April, the high school Academic Challenge Team won the Varsity Small School Division of the National History Bowl. Twenty Beachwood students from Hilltop Elementary School and Beachwood Middle School qualified for and participated in the Destination Imagination Global Finals. High school Marketing students placed second at the state DECA Competition. The high school newspaper staff won its second consecutive first-place rating at the Ohio Scholastic Media Association Conference. A Beachwood student placed first at the Northeast Ohio Science and Engineering Fair. Another won a best film award at the International Student Film Festival in Hollywood, California. These constitute but some of the many achievements by Beachwood students on stages far larger than our district.

The Arts

The arts are an important component of a Beachwood education. In fact, the Beachwood community and its schools have been recognized as one of the top communities in the nation for their support of the arts for seven consecutive years. Our high school orchestra recently returned from a week-long trip to Italy that included several performances by the students. That experience is but one of many that could serve as evidence of the schools' and the community's support for the arts in the lives of the students.

Athletics

Athletics too are an important part of the Beachwood educational experience. This past year, two Beachwood wrestlers won the honor of being named State Champ – each for the second time. A Beachwood swimmer qualified for the state meet. Our Girls Basketball team reached the regional championship game for the second consecutive year. The Boys Basketball team won the conference title and was ranked #1 in the state at one point in the season. The Football Team won the conference and qualified for the state playoffs for the first time since 1989. Our cheerleaders brought home a national championship. The Boys soccer team won a conference championship and the Middle School Girls Track Team won three events at the state championship meet setting two state records in the process.

Innovative Educational Programs

An increasing number of educational opportunities are available to Beachwood students outside of the traditional classroom. Some take the form of Post-Secondary Enrollment Options at area colleges and universities. Others are offered through the Credit Flex program following approval by a committee of educators from Beachwood High School. Two particularly exciting programs are being offered in conjunction with University Hospitals and Cleveland State University respectively. They are the University Hospitals –

Beachwood High School Medical Academy and the CSU-Beachwood High School Design and Innovation Program. The former is designed to provide an educational advantage to students contemplating professional careers in medicine; the latter is tailored to provide academic programming for those planning to enter a field of engineering.

A distinguishing characteristic of Beachwood City Schools is the district's attention to the individual needs of each student. The relatively small size of our student population aids us in that process; so too, do the district's abundant resources. The Beachwood City School District is often referred to as a "family" and that label is earned. Nobody is a mere number in Beachwood. It is that personal attention to individual needs that drives our curriculum, our programs, our instruction, and our extra-curricular opportunities. It is an attitudinal quality that few public school districts can demonstrate to the same degree.

Financial Status

In June 2014, Moody's Investment Services reconfirmed Beachwood Schools' Aaa credit rating. Beachwood is one of only four school districts in Ohio with this credit rating. Under the direction of Beachwood Schools Treasurer Michele Mills, the district refinanced the Build America bonds used to pay for a portion of the high school renovation process. This refinancing saved Beachwood taxpayers more than \$2.3 million dollars. Also in 2014, the work of Ms. Mills and her staff was acknowledged when the district received the Auditor of State Award with Distinction for its clean audit report.

The Beachwood City School District enjoys an unrivaled history of support by its taxpayers. Its last operating levy was passed in 2005 with assurance made to the residents that we would not ask for additional operating dollars until 2008. Thanks to the efficient management of funds, the district did not seek additional operating funds in 2008. In fact, no operating levies have been on the ballot since 2005, a claim that can be made by few, if any, other public school district in the state.

Facilities

The residents of Beachwood recognize that high quality educational programs require good buildings to house them and a strong infrastructure to support them. The community has been faithful to fund improvements. The Fairmount Elementary School was constructed in 1998. Beachwood Middle School was completed in 2003. Beachwood High School underwent a renovation that included major new construction concluding in 2013. A remaining portion of the high school work will include the thorough renovation of the high school auditorium during the upcoming school year. In addition, the pool area and athletic fields will receive major enhancements in the near future. The 2013-2014 school year was one of growth and accomplishment for Beachwood City Schools. Progress continued on the construction of the new and remodeled portions of Beachwood High School as crews worked toward its completion in August 2014. The \$35.6 million project accommodates the future energy, technology, and instructional space needs of the high school in a manner that addresses both functional utility and aesthetics. The newly constructed and renovated portions of the high school capture the pride and commitment that the Beachwood community feels toward its schools.

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2014 financial statements.

Accounting and Budgetary Controls

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

- (1) the safeguarding of assets against loss from unauthorized use or disposition; and

- (2) the reliability of financial records for preparing financial statements and maintaining accountability for the assets.

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

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

Long-Term Financial Planning

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

Significant Local Economic Events

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest as well as the rest of the country. However, there are some bright spots on the horizon as the City continues to enjoy economic development. The commercial tax duplicate has decreased slightly by 1.6% mainly due to tax exempt properties removed from the tax duplicate. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-seven percent of the School District's valuation is comprised of residential property and fifty-three percent is comprised of commercial or public utility property.

In 1990, The City of Beachwood annexed 400 acres from a neighboring community (Chagrin Highlands) in order to develop a proposed \$500 million, 633-acre corporate complex featuring office space, a retail mall and at least one hotel. The School District signed an agreement with the Warrensville Heights School District to share in any future tax revenue. Under the agreement, the School District will receive 30% of the tax revenue from all future development. Originally, Warrensville Heights School District was the sole beneficiary of school tax revenues. The School District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future.

In 2009, Eaton Corporation, a Fortune 100 company, purchased 50 acres of property in the Chagrin Highlands area, through a tax incremental financing program approved by the City of Beachwood, Warrensville Heights Schools, State of Ohio and the Cleveland Cuyahoga County Port Authority. Revenue for the School District is not expected until joint programming has been developed with Warrensville Heights Schools and further discussion on the tax sharing agreement.

As of the date of this financial statement, it is expected that tax revenue sharing will be forthcoming in the next couple of years. The School District is currently in discussion with the Warrensville Heights School District to determine revenue trigger points and how and when tax revenue will be remitted to the School District from Warrensville Heights Schools. University Hospitals built a 1,000 bed hospital, The Ahuja Medical Center, on the Chagrin Highlands site. The Ahuja Medical Center opened in January, 2011. The District has contacted Ahuja to be a conduit for joint educational programming for the Beachwood and Warrensville School Districts. Joint educational programming is a condition of the revenue sharing agreement.

The School District was notified in July 2014 that it lost its tax appeal with the Cleveland Clinic over its tax exempt application which dates back to 2002. The School District chose not to further litigate the decision.

Prospects for the Future

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the School District's total operating millage is 79.3 mills, the effective millage levied and collected is 35.28 and 42.25 respectively, for residential and commercial property.

The State's budget bill, House Bill 59, which passed in June 2013, contained funding increases for all public schools. However, increases to private and community schools were also part of the budget bill. Payment for the private and community schools comes directly from the local school district.

The State of Ohio in its pursuit of "choice" in education continues to erode tax dollars earmarked for public education. The State passed a bill with the "Jon Petersen Special Needs Scholarship" provision which allows private entities and private schools to become providers of special education services. Depending on the nature of the identification of the disability these providers will take from \$7,196 to \$20,000 in funding from public schools. The School District receives on average \$553 per student from the State of Ohio for educating all of its students irrespective of disabilities.

While the State has set a 5% maximum number for students, there is no individual school cap. To date the School District has \$172,358 approved with more applications submitted. School districts are being further taxed by having its individual education plan team identifying these students which has increased the case loads of staff members.

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

In fiscal year 2014, the School District refunded a portion of its outstanding Middle School debt. \$5,590,000 was refunded and \$5,420,000 was reissued at a lower interest rate with a net present value savings of 5.83%. In addition, the School District shortened the payment period by one year. Moody's rated the debt Aaa. Additionally the School District refunded its Build America Bonds (BAB's) in the amount of \$11,150,000 with a net present value savings of 6.36%. These bonds were also rated Aaa by Moody's.

During Fiscal Year 2014, the School District received unexpected revenue in the amount of \$2.3 million dollars as a result of the settlement of litigation regarding the valuation of real property; said revenue has been credited to the General Fund as miscellaneous revenue.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the School District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the School District's 2014 fiscal year audit. The Independent Auditor's Report appears at the beginning of the Financial Section of this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Beachwood City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. (This was the 26th consecutive year that the School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive

GFOA Certificate of Achievement

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

Acknowledgments


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


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

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

Audit Committee

The School District has an active audit committee, comprised of 3 members of the community (two of whom are CPA's, and one a small business entrepreneur), one Board member (also a CPA) and the School District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. A special thank you to the audit committee members who provided counsel and assisted in improving internal controls, reviewing the audit and making appropriate recommendations to the Board of Education. Mr. Michael Ritter, Mr. Robert Marks and Ms. Patty Rubin along with Mr. Michael Zawatsky (Board Member) are to be commended for their efforts.


Michele E. Mills, MBA
Director of Finance/Treasurer


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

Elected Officials

Board of Education

Mr. Mitchel Luxenburg.....President

Dr. Brian Weiss.....Vice President

Mr. Josh Mintz.....Member

Mr. Steve Rosen.....Member

Mr. Michael Zawatsky.....Member

Administration

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

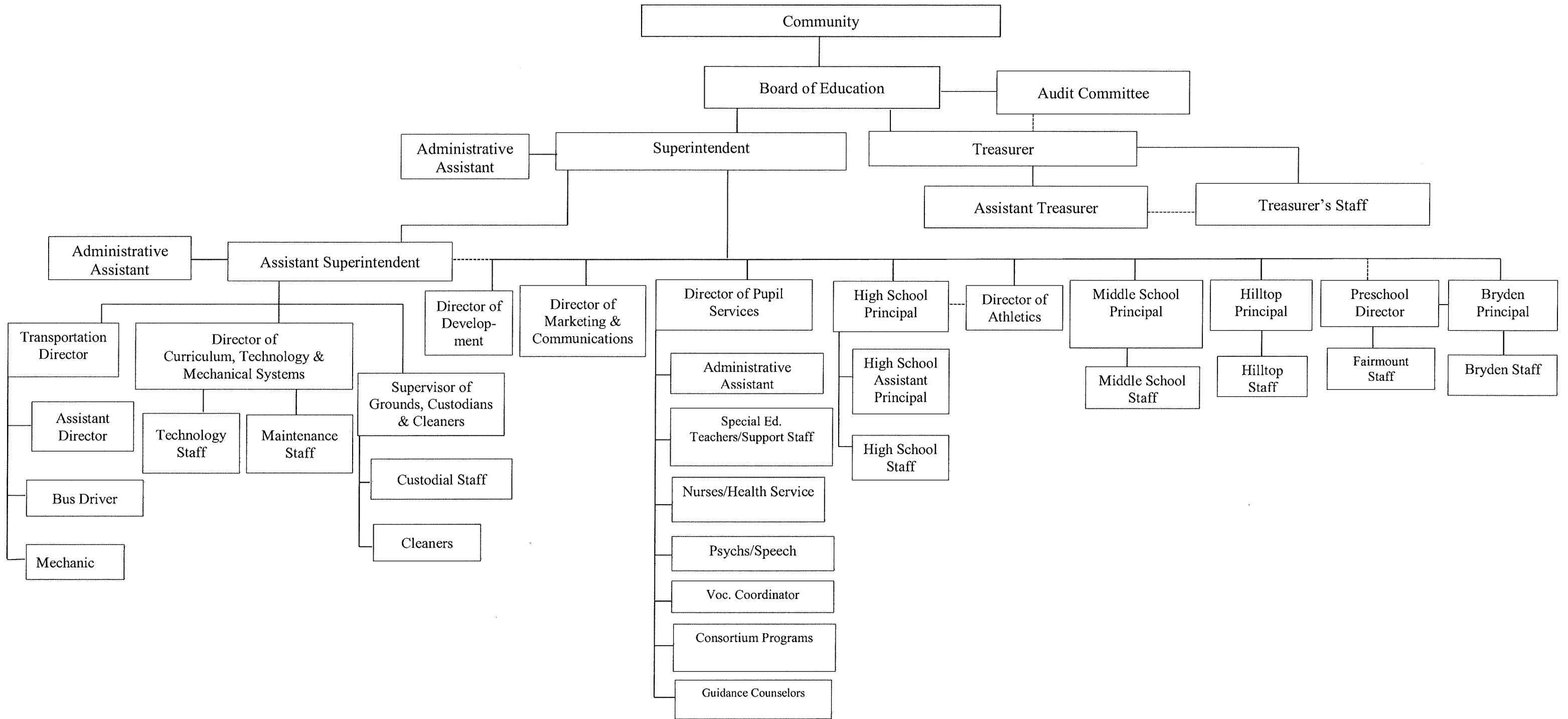
Ms. Michele E. Mills, MBA.....Treasurer/CFO

Mr. Robert Hardis.....Assistant Superintendent

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

Mr. Ken Veon.....Director of Technology, Curriculum and Mechanical Services

Mrs. Kathleen Stroski.....Assistant Treasurer





Government Finance Officers Association

**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, 2013

Executive Director/CEO

FINANCIAL

SECTION



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beachwood City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Consortium Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2014 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

October 22, 2014

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Equity in Pooled Cash and Cash equivalents decreased slightly by \$709,763, as operations remained relatively flat and stable in fiscal year 2014.
- Accrued wages and benefits remained decreased \$160,428 due to the retirement of eleven staff members who were replaced by less senior staff.
- The School District anticipates that a large number of staff members may choose to retire at the end of fiscal year 2015 as the retirement law changes effecting years of service, final years average salary calculations and age become effective August 1, 2015.
- Total net position increased by \$9,179,149, which represents a 19.1 percent increase from 2013. The School District refinanced a portion its original Middle School debt and refinanced its Build America Bonds in fiscal year 2014. The District continues to pay down its outstanding debt and shorten repayment periods. The Middle School bonds were originally set to mature in 2022. Upon refinancing, the bonds will mature in 2021. Net Investment in Capital Assets increased from \$18,082,152 to \$23,764,063.
- General revenues accounted for \$42,285,049 in revenue or 87 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,159,860 or 13 percent of total revenues of \$48,444,909.
- The School District had \$39,265,760 in expenses related to governmental activities; only \$6,159,860 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$42,285,049 were adequate to provide for these programs.
- Total assets of governmental activities increased \$2,331,842 as total liabilities decreased by \$3,872,600 due primarily to refinancing outstanding debt, a decrease of \$2,974,707 in property taxes not levied to finance current year operations and an increase in capital assets due primarily the High School Renovation in the amount of 2,902,492.
- The general fund balance increased by \$6,263,989 or 27.6% primarily was a result of the settlement of litigation regarding the valuation of real property.
- The building fund balance decreased by \$2,644,220 as cash decreased by \$3,153,813 again due to spend down on the high school renovation project.
- Among major funds, the general fund had \$38,448,794 in operating revenues and \$32,203,840 in operating expenditures. The general fund's fund balance increased to

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

\$28,956,638 from \$22,692,649.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The Statement of Net Position and Statement of Activities answer this question. These statements include *all assets, all liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

funds are the General Fund, Bond Retirement, Building Fund, Permanent Improvement, and Consortium Funds.

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2014 compared to 2013:

	Table 1 Governmental Activities	
	<i>2014</i>	<i>2013</i>
Assets		
Current and Other Assets	\$61,206,905	\$61,777,555
Capital Assets	62,836,677	59,934,185
Total Assets	124,043,582	121,711,740
Liabilities		
Long-Term Liabilities	41,148,367	44,145,234
Other Liabilities	3,381,194	4,256,927
Total Liabilities	\$44,529,561	\$48,402,161
Deferred Inflows Of Resources		
Property Taxes	22,232,256	25,206,963
Net Position		
Net Investment In Capital Assets	23,764,063	18,082,152
Restricted	4,657,530	7,697,202
Unrestricted	28,860,172	22,323,262
Total Net Position	\$57,281,765	\$48,102,616

Net position of the School District's governmental activities increased by \$9,179,149. Unrestricted net position also increased by \$6,536,910. The assets increase is primarily due to the increase in capital assets of \$2,902,492 associated mostly with the High School construction in progress.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Table 2 shows the changes in net position for fiscal year 2013 with revenue and expense comparisons to fiscal year 2014:

	Governmental Activities 2014	Table 2 Governmental Activities 2013
Program Revenues:		
Charges for Services and Sales	\$2,837,045	\$4,346,756
Operating Grants and Contributions	3,322,815	3,026,362
General Revenues:		
Property Taxes	33,708,619	27,450,186
Grants and Entitlements	5,687,462	5,647,472
Investment Earnings	176,869	73,323
Miscellaneous	2,712,099	5,436,826
Total Revenue	\$48,444,909	\$45,980,925
Program Expenses:		
Instruction:		
Regular	\$12,503,062	\$12,322,813
Special	5,554,774	6,073,357
Vocational	1,727,730	1,306,835
Adult/Continuing	106,568	101,993
Other	282,232	267,839
Support Services:		
Pupil	2,483,137	2,659,540
Instructional Staff	1,948,494	1,383,760
Board of Education	446,035	606,698
Administration	2,276,927	2,425,348
Fiscal	830,832	789,311
Business	284,773	418,499
Operation of Maintenance and Plant	4,465,843	3,481,534
Pupil Transportation	1,881,013	2,011,020
Central	75,288	375,875
Operation of Non-Instructional Services	1,826,020	1,562,013
Extra-curricular Activities	909,220	1,224,793
Interest and Fiscal Charges	1,663,812	2,093,321
Total Expenses	\$39,265,760	\$39,104,549
Change in Net Position	\$9,179,149	\$6,876,376
Beginning Net Position	48,102,616	41,226,240
Ending Net Position	\$57,281,765	\$48,102,616

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 69 percent of revenues for governmental activities for the School District in fiscal year 2014.

Instruction comprises 51 percent of governmental program expenses. Interest expense was 4.2 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2013.

	Table 3 – Governmental Activities			
	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Instruction	\$20,174,366	\$17,123,125	\$20,072,837	\$16,076,175
Support Services:				
Pupil and Instructional Staff	4,431,631	3,608,637	4,043,300	2,840,840
Board of Education, Administration, Fiscal and Business	3,838,567	3,818,714	4,239,856	4,205,092
Operation and Maintenance of Plant	4,465,843	4,154,603	3,481,534	3,115,026
Pupil Transportation	1,881,013	1,538,090	2,011,020	1,955,762
Central	75,288	75,288	375,875	368,675
Operation of Non-Instructional Services	1,826,020	266,475	1,562,013	(87,924)
Extracurricular Activities	909,220	857,156	1,224,793	1,164,464
Interest	1,663,812	1,663,812	2,093,321	2,093,321
Total Expenses	\$39,265,760	\$33,105,900	\$39,104,549	\$31,731,431

The dependence upon tax revenues for governmental activities is apparent. Over 80 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is also 81 percent. The community, as a whole, is by far the primary support for the School District's students.

The School District's Funds

Information about the School 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 \$48,554,000 and expenditures of \$45,742,465. The net change in fund balance for

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

the year was most significant in the general fund, with an increase of \$6,263,989 due to a settlement of litigation regarding the valuation of real property.

The net fund balance increased in the bond retirement fund by \$333,538 due to higher tax collections over the previous year.

The permanent improvement fund decreased \$704,252. The School District had several paving projects, roofing repairs and additional work in the high school.

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

Budgeting Highlights

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

During the course of fiscal year 2014, the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$38,217 less than the final budget estimates of \$35,911,143. The School District's ending un-obligated cash balance was \$535,438 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction and operation and maintenance

There were fourteen amendments to the original appropriations during fiscal year 2014. The budget increased predominantly due to the refunding of outstanding bonds in the bond retirement fund.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2014, the School District had \$62,836,677 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 9 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2014 balances compared to 2013:

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

	Governmental Activities	
	2014	2013
Construction in Progress	\$36,436,519	\$32,942,486
Land	978,708	978,708
Land Improvements	1,707,069	1,820,085
Buildings and Improvements	21,435,062	22,185,983
Equipment	1,809,427	1,563,606
Vehicles	469,892	443,317
Totals	\$62,836,677	\$59,934,185

The primary increase in capital assets is due to the addition of construction in progress for the High School renovation project.

For fiscal year 2014, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2014, this amounted to \$260,794 for the set aside. For fiscal year 2014, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2014, the School District had \$38,459,963 in bonds and notes outstanding, \$2,710,000 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 15 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1%, respectively, of the total assessed value of real and personal property. At June 30, 2014, the School Districts' voted general obligation bonded debt of \$35,202,575 initially below the legal limit of \$63,810,844 (voted). In addition, the School District had no un-voted debt at June 30, 2014.

In December 2013, the School District refunded \$5,590,000 in outstanding Middle School debt. \$5,420,000 was reissued with an interest rate of .45%-3.05%. The District used \$500,000 of its sinking fund to defease a portion of the debt and also shortened the payback period by one year. The debt will mature on December 1, 2021. Net present value savings was \$312,100. Moody's rating for the School District is Aaa, the highest rating Moody's assigns to debt issues.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

In June, 2014 the School District refunded \$11,150,000 in Build America Bonds. The bonds had an extraordinary call provision which the School District exercised due to sequestration. The School District refunded this debt with an overall 6.36% net present value savings in the amount of \$709,502. Interest rates range from 2.78% to 3.66%. The debt rating assigned by Moody's is Aaa.

Table 5 - Outstanding Debt, at Year End

	Governmental Activities 2014	Governmental Activities 2013
General Obligation Bonds		
2010 Tax Anticipation Notes	\$3,440,000	\$3,995,000
2007 School Improvement Premium	0	189,712
2007 Advanced Refunded Bonds	204,997	5,869,997
2010 School Improvement Bonds	4,525,000	5,625,000
2010 School Improvement Premium	182,612	228,264
2010 Build America Bonds	0	11,150,000
2010 Qualified School Construct Bonds	11,260,000	11,260,000
2012 School Improvement Bonds	2,460,000	3,245,000
2013 Refunding	5,420,000	0
2014 Refunding Tax Exempt Bonds	11,149,966	0
Total	<u>\$38,642,575</u>	<u>\$41,562,973</u>

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

For the Future

The School District closed out its fiscal year on June 30, 2014 on a positive note as the administration and Board of Education continued to reduce costs for greater efficiency.

The School District concluded successful negotiations with its Beachwood Educational Interpreters Union (BEIU) and continues to enjoy collaborative relations with its Beachwood Federation of Teachers (BFT) and Beachwood Union of Support Staff (BUSS).

The School District's current major initiative is to complete a renovation of the High School Auditorium and review athletic facility needs. The School District will also upgrade the pool at the High School.

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.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
Unaudited

During Fiscal Year 2014, the Beachwood City School District Board of Education received unbudgeted revenue in the amount of \$2.3 million dollars as a result of the settlement of litigation regarding the valuation of real property; said revenue has been classified as miscellaneous revenue in the General Fund for Fiscal Year 2014.

Contacting the School District's Financial Management

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

BASIC

FINANCIAL

STATEMENTS

Beachwood City Schools
Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 31,772,341
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	99,275
Accrued Interest Receivable	51,029
Accounts Receivable	534,493
Property Taxes Receivable	28,614,894
<i>Total current assets</i>	61,206,905
 Noncurrent Assets:	
Non-Depreciable Capital Assets	978,708
Depreciable Capital Assets, net	25,421,450
Construction in Progress	36,436,519
<i>Total noncurrent assets</i>	62,836,677
 <i>Total Assets</i>	 124,043,582
 LIABILITIES:	
Accounts Payable	80,567
Accrued Wages and Benefits	2,769,112
Contracts Payable	27,440
Intergovernmental Payable	327,606
Matured Bonds Payable	86,363
Unearned Revenue	706
Claims Payable	89,400
Long-Term Liabilities:	
Due Within One Year	2,984,035
<i>Total current liabilities</i>	6,284,662
 NonCurrent Liabilities:	
Due in More Than One Year	38,164,332
<i>Total noncurrent liabilities</i>	38,164,332
 <i>Total Liabilities</i>	 44,529,561
 DEFERRED INFLOWS OF RESOURCES:	
Property Taxes not Levied to Finance Current Year Operations	22,232,256
 <i>TOTAL DEFERRED INFLOWS OF RESOURCES</i>	 22,232,256
 NET POSITION:	
Net Investment in Capital Assets	23,764,063
Restricted for Debt Service	2,973,570
Restricted for Capital Outlay	889,076
Restricted for Other Purposes	660,011
Restricted for Set Asides	134,873
Unrestricted	28,860,172
 <i>Total Net Position</i>	 \$ 57,281,765
 See Accompanying Notes to the Basic Financial Statements	

Beachwood City Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2014

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
Instruction:			
Regular	\$ 12,503,062	\$ 173,762	\$ 560,713
Special	5,554,774	253,148	961,075
Vocational	1,727,730	599,952	495,738
Adult/Continuing	106,568	6,853	
Other	282,232		
Support Services:			
Pupils	2,483,137	508,341	162,901
Instructional Staff	1,948,494	2,065	149,687
Board of Education	446,035		
Administration	2,276,927		
Fiscal	830,832	18,882	
Business	284,773	971	
Operation and Maintenance of Plant	4,465,843	311,240	
Pupil Transportation	1,881,013	5,033	337,890
Central	75,288		
Operation of Non-Instructional/Shared Services:			
Food Service Operations	553,195	345,753	57,098
Community Services	1,247,409	558,981	597,713
Shared Services	25,416		
Extracurricular Activities	909,220	52,064	
Interest and Fiscal Charges	1,663,812		
<i>Total Governmental Activities</i>	<u>\$ 39,265,760</u>	<u>\$ 2,837,045</u>	<u>\$ 3,322,815</u>

General Revenues:

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

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

**Governmental
Activities**

\$ (11,768,587)
(4,340,551)
(632,040)
(99,715)
(282,232)

(1,811,895)
(1,796,742)
(446,035)
(2,276,927)
(811,950)
(283,802)
(4,154,603)
(1,538,090)
(75,288)

(150,344)
(90,715)
(25,416)
(857,156)
(1,663,812)

\$ (33,105,900)

\$ 5,687,462
33,708,619
176,869
2,650,161
61,938

42,285,049

9,179,149

48,102,616

\$ 57,281,765

Beachwood City Schools
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 23,952,858	\$ 2,256,292	\$ 867,637	\$ 75,081
Cash and Cash Equivalents in Segregated Accounts	134,873			
Materials and Supplies Inventory	91,882			
Accrued Interest Receivable	51,029			
Accounts Receivable	232,144			
Interfund Receivable	1,840,179			
Due From Other Funds	245,000			
Property Taxes Receivable	24,663,368	3,236,472	715,054	
<i>Total Assets</i>	<u>\$ 51,211,333</u>	<u>\$ 5,492,764</u>	<u>\$ 1,582,691</u>	<u>\$ 75,081</u>
LIABILITIES:				
Accounts Payable	71,900			
Accrued Wages and Benefits	2,467,575			
Contracts Payable				27,440
Interfund Payable				
Due to Other Funds			215,000	
Intergovernmental Payable	296,413			
Unearned Revenue				
General Obligation Bonds Payable		86,363		
<i>Total Liabilities</i>	<u>2,835,888</u>	<u>86,363</u>	<u>215,000</u>	<u>27,440</u>
DEFERRED INFLOWS OF RESOURCES:				
Property Taxes not Levied to Finance Current Year Operations	19,273,169	2,432,831	526,256	
Unavailable Revenue	145,638	19,072	8,669	
<i>TOTAL DEFERRED INFLOWS OF RESOURCES</i>	<u>19,418,807</u>	<u>2,451,903</u>	<u>534,925</u>	<u>0</u>
FUND BALANCES:				
Nonspendable	91,882			
Restricted	134,873	2,954,498	623,283	8,806
Committed	227,580		209,483	38,835
Assigned	1,858,365			
Unassigned	26,643,938			
<i>Total Fund Balances</i>	<u>28,956,638</u>	<u>2,954,498</u>	<u>832,766</u>	<u>47,641</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 51,211,333</u>	<u>\$ 5,492,764</u>	<u>\$ 1,582,691</u>	<u>\$ 75,081</u>
See Accompanying Notes to the Basic Financial Statements				

Consortium Fund	All Other Governmental Funds	Total Governmental Funds		
\$ 2,072,364	\$ 750,987	\$ 29,975,219	Total Governmental Fund Balances	\$ 33,712,353
		134,873	Amounts reported for governmental activities in the Statement of Net Position are different because:	
	7,393	99,275		
		51,029	Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:	
300,613	1,736	534,493	Nondepreciable capital assets	37,415,227
		1,840,179	Depreciable capital assets	25,421,450
		245,000		
		28,614,894	Deferred inflows of resources, including delinquent property tax revenues, are not receivable in the current period and therefore, are not reported in the funds:	
<u>\$ 2,372,977</u>	<u>\$ 760,116</u>	<u>\$ 61,494,962</u>	Deferred inflows of resources	173,381
1,125	7,543	80,568	Long term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
263,695	37,842	2,769,112	Due within one year	(2,984,035)
		27,440	Due within more than one year	(38,164,332)
1,840,179		1,840,179	Internal service funds are used by management to charge the vision, dental and prescription drug, and contingent premium expenses in the governmental activities in the Statement of Net Position	<u>1,707,721</u>
	30,000	245,000	Net Position of Governmental Activities	<u>\$ 57,281,765</u>
26,365	4,828	327,606		
	706	706		
		86,363		
<u>2,131,364</u>	<u>80,919</u>	<u>5,376,974</u>		
		22,232,256		
		173,379		
<u>0</u>	<u>0</u>	<u>22,405,635</u>		
	7,393	99,275		
237,171	662,825	4,621,456		
4,442	25,284	505,624		
	0	1,858,365		
	(16,305)	26,627,633		
<u>241,613</u>	<u>679,197</u>	<u>33,712,353</u>		
<u>\$ 2,372,977</u>	<u>\$ 760,116</u>	<u>\$ 61,494,962</u>		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>	<u>Consortium Fund</u>
REVENUES:					
Property and Other Local Taxes	\$ 29,260,454	\$ 3,675,430	\$ 881,826		
Intergovernmental	5,663,760	1,242,318	126,063		775,138
Interest	172,475		325	4,068	
Tuition and Fees	232,310				1,155,831
Rent	311,240				
Extracurricular Activities	10				
Gifts and Donations	3,775				
Customer Sales and Services	133,248				18,834
Miscellaneous	2,671,522				
<i>Total Revenues</i>	<u>38,448,794</u>	<u>4,917,748</u>	<u>1,008,214</u>	<u>4,068</u>	<u>1,949,803</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	12,032,704				
Special	4,996,871				273,566
Vocational	823,850				904,302
Adult/Continuing					
Other	282,232				
Support Services:					
Pupils	1,645,526				715,375
Instructional Staff	1,955,447		41,271		
Board of Education	424,218				
Administration	2,254,886				9,266
Fiscal	1,032,243				
Business	288,951				
Operation and Maintenance of Plant	3,320,007		42,489		47,294
Pupil Transportation	1,906,237				
Central	233,999				
Operation of Non-Instructional/Shared Services:					
Food Service Operations					
Community Services	96,503				
Shared Services					
Extracurricular Activities	907,326				
Capital Outlay:					
Architecture and Engineering Services			2,450	86,855	
Building Acquisition and Construction Services			43,021	242,385	
Building Improvement Services				191,543	
Other Facilities Acquisition and Construction	2,840		1,583,235	2,127,505	
Debt Service:					
Principal		2,515,000			
Interest		1,895,502			
Issuance Costs		250,658			
<i>Total Expenditures</i>	<u>32,203,840</u>	<u>4,661,160</u>	<u>1,712,466</u>	<u>2,648,288</u>	<u>1,949,803</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>6,244,954</u>	<u>256,588</u>	<u>(704,252)</u>	<u>(2,644,220)</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In					
Refunding Bonds Issued		16,569,966			
Premium on Refunding Bonds Issued		253,713			
Discount on Bonds and Notes Issued		(6,729)			
Inception of Capital Lease	291,635				
Transfers Out	(272,600)				
Payment to Refunded Bond Escrow Agent		(16,740,000)			
<i>Total Other Financing Sources and Uses</i>	<u>19,035</u>	<u>76,950</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>6,263,989</u>	<u>333,538</u>	<u>(704,252)</u>	<u>(2,644,220)</u>	<u>0</u>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>22,692,649</u>	<u>2,620,960</u>	<u>1,537,018</u>	<u>2,691,861</u>	<u>241,613</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 28,956,638</u>	<u>\$ 2,954,498</u>	<u>\$ 832,766</u>	<u>\$ 47,641</u>	<u>\$ 241,613</u>

See Accompanying Notes to the Basic Financial Statements

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net change in Fund Balances - Total Governmental Funds	\$3,180,120
	\$ 33,817,710	Amounts reported for governmental activities in the Statement of Activities are different because:	
1,202,998	9,010,277		
46	176,914		
559,089	1,947,230	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.	
83,075	311,240		
17,414	83,085		
359,994	21,189		
2,757	512,076		
<u>2,225,373</u>	<u>2,674,279</u>		
		Capital Outlay	4,665,860
		Depreciation	<u>(1,763,368)</u>
		Total	2,902,492
		The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, where these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
77,623	12,110,327		
328,031	5,598,468		
	1,728,152		
99,088	99,088		
	282,232		
			2,670,328
130,256	2,491,157	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.	
8,850	2,005,568		
	424,218		
901	2,265,053		
9,644	1,041,887		
	288,951		
	3,409,790		
	1,906,237	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.	
10,584	244,583		
			208,761
579,318	579,318		
1,129,789	1,226,292		
25,416	25,416		
167,408	1,074,734		
			<u>217,448</u>
		Changes in Net Assets of Governmental Activities	<u>\$ 9,179,149</u>
	89,305		
	285,406		
	191,543		
	3,713,580		
	2,515,000		
	1,895,502		
	250,658		
<u>2,566,908</u>	<u>45,742,465</u>		
(341,535)	2,811,535		
272,600	272,600		
	16,569,966		
	253,713		
	(6,729)		
	291,635		
	(272,600)		
	(16,740,000)		
<u>272,600</u>	<u>368,585</u>		
(68,935)	3,180,120		
748,132	30,532,233		
<u>\$ 679,197</u>	<u>\$ 33,712,353</u>		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 24,616,536	\$ 26,680,486	\$ 26,705,909	\$ 25,423
Intergovernmental	5,489,535	5,590,575	5,433,146	(157,429)
Interest	65,000	105,000	120,189	15,189
Tuition and Fees	418,248	416,989	481,404	64,415
Rent	309,186	309,186	311,240	2,054
Extracurricular Activities			10	10
Gifts and Donations	2,050	2,050	3,775	1,725
Customer Sales and Services	192,840	192,840	149,008	(43,832)
Miscellaneous	335,224	2,614,017	2,668,245	54,228
Total Revenues	<u>31,428,619</u>	<u>35,911,143</u>	<u>35,872,926</u>	<u>(38,217)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	11,973,925	11,784,043	11,704,828	79,215
Special	5,268,347	5,165,535	5,087,443	78,092
Vocational	395,999	841,999	839,463	2,536
Other	344,580	293,500	289,186	4,314
Support Services:				
Pupils	1,753,802	1,697,133	1,692,098	5,035
Instructional Staff	2,071,874	2,026,487	1,953,178	73,309
Board of Education	578,950	459,750	443,930	15,820
Administration	2,469,902	2,369,363	2,329,928	39,435
Fiscal	1,034,617	1,049,617	1,041,327	8,290
Business	414,811	337,886	326,038	11,848
Operation and Maintenance of Plant	3,267,224	3,514,661	3,392,372	122,289
Pupil Transportation	1,909,078	2,044,578	2,005,272	39,306
Central	342,769	245,369	236,820	8,549
Operation of Non-Instructional/Shared Services:				
Community Services	15,344	101,269	97,150	4,119
Extracurricular Activities:				
Academic Oriented Activities	189,153	192,153	180,260	11,893
Sport Oriented Activities	743,450	742,450	706,724	35,726
School and Public Service Co-Curricular Activities	27,326	32,326	31,875	451
Capital Outlay:				
Other Facilities Acquisition and Construction	39,000	3,000	2,840	160
Total Expenditures	<u>32,840,151</u>	<u>32,901,119</u>	<u>32,360,732</u>	<u>540,387</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,411,532)</u>	<u>3,010,024</u>	<u>3,512,194</u>	<u>502,170</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	300,000	308,276	308,247	(29)
Proceeds from Sale of Capital Assets	2,500	2,720	2,720	0
Refund of Prior Year Expenditures	2,500	2,500	568	(1,932)
Transfers Out	(700,000)	(640,000)	(604,771)	35,229
Advances Out	0	(30,000)	(30,000)	0
Total Other Financing Sources and Uses	<u>(395,000)</u>	<u>(356,504)</u>	<u>(323,236)</u>	<u>33,268</u>
Net Change in Fund Balances	(1,806,532)	2,653,520	3,188,958	535,438
Fund Balance (Deficit) at Beginning of Year	20,292,644	20,292,644	20,292,644	
Prior Year Encumbrances Appropriated	<u>302,810</u>	<u>302,810</u>	<u>302,810</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 18,788,922</u>	<u>\$ 23,248,974</u>	<u>\$ 23,784,412</u>	<u>\$ 535,438</u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 650,640	\$ 765,450	\$ 775,138	\$ 9,688
Tuition and Fees	1,865,000	1,429,740	1,193,371	(236,369)
Customer Sales and Services	16,000	20,000	18,834	(1,166)
Total Revenues	<u>2,531,640</u>	<u>2,215,190</u>	<u>1,987,343</u>	<u>(227,847)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special	587,659	575,523	554,010	21,513
Vocational	802,101	846,419	830,589	15,830
Support Services:				
Pupils	408,174	748,485	746,045	2,440
Administration	17,177	10,034	9,266	768
Operation and Maintenance of Plant	48,613	48,332	47,023	1,309
Total Expenditures	<u>1,863,724</u>	<u>2,228,793</u>	<u>2,186,933</u>	<u>41,860</u>
Excess of Revenues Over (Under) Expenditures	667,916	(13,603)	(199,590)	(185,987)
Net Change in Fund Balances	<u>667,916</u>	<u>(13,603)</u>	<u>(199,590)</u>	<u>(185,987)</u>
Fund Balance (Deficit) at Beginning of Year	2,263,453	2,263,453	2,263,453	
Prior Year Encumbrances Appropriated	<u>2,948</u>	<u>2,948</u>	<u>2,948</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,934,317</u>	<u>\$ 2,252,798</u>	<u>\$ 2,066,811</u>	<u>\$ (185,987)</u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Fund Net Position
Proprietary Fund
June 30, 2014

	Governmental Activities - Internal Service Funds
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,797,121
<i>Total Current Assets</i>	1,797,121
<i>Total Assets</i>	1,797,121
LIABILITIES:	
Current Liabilities:	
Claims Payable	89,400
<i>Total Current Liabilities</i>	89,400
<i>Total Liabilities</i>	89,400
NET POSITION:	
Unrestricted	1,707,721
<i>Total Net Position</i>	\$ 1,707,721

See Accompanying Notes to the Basic Financial Statement.

Beachwood City Schools
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2014

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 2,391,339
Other Revenues	817,085
	3,208,424
 OPERATING EXPENSES:	
Claims	892,294
Other	2,107,369
	2,999,663
<i>Total Operating Revenues</i>	3,208,424
 <i>Operating Income (Loss)</i>	208,761
 <i>Income (Loss) Before Contributions and Transfers</i>	208,761
 <i>Net Change in Net Position</i>	208,761
 <i>Net Position(Deficit) at Beginning of Year</i>	1,498,960
 <i>Net Position (Deficit) at End of Year</i>	\$ 1,707,721

See Accompanying Notes to the Basic Financial Statement

Beachwood City Schools
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2014

	<u>Governmental Activities - Internal Service Fund</u>
<i>Cash Flows from Operating Activities:</i>	
Cash received from self insurance premiums	\$ 3,208,424
Payments for Claims	(889,094)
Other Payments	<u>(2,107,369)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>211,961</u>
<i>Cash and Cash Equivalents, Beginning of Year</i>	<u>1,585,160</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u><u>\$ 1,797,121</u></u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>	
Operating Income	\$ 208,761
Increase (Decrease) in Liabilities	<u>3,200</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ 211,961</u></u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2014

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 483,449
<i>Total Current Assets</i>	<u>483,449</u>
<i>Total Assets</i>	<u><u>483,449</u></u>
LIABILITIES:	
Current Liabilities:	
Undistributed Monies	418,411
Due to Students	<u>65,038</u>
<i>Total Current Liabilities</i>	<u>483,449</u>
<i>Total Liabilities</i>	<u><u>\$ 483,449</u></u>

See Accompanying Notes to the Basic Financial Statements

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1 - Description of the School District and Reporting Entity

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

The Board controls the School District’s five instructional facilities and one support facility staffed by 157 certificated teaching personnel, 136 non-certificated support personnel and 12 administrators.

The School District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the School District during the 2014 fiscal year was 1,526. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

Reporting Entity

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

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

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

Jointly Governed Organizations:
Ohio Schools’ Council Association
Lake Geauga Computer Association

Public Entity Risk Pool:
Sheakley Uniservice, Inc. Workers’ Compensation Group Rating Program

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

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

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,

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

and fiduciary.

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

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

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

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

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

Consortium Fund – The Consortium Fund accounts for services to other Districts for vocational training programs and for educating deaf and hearing-impaired children on a cost-reimbursement basis. Some of the program costs have been reported with the General fund on a modified accrual basis because more than 50% of the students served are Beachwood residents. The major revenue sources for this fund are tuition, which is billed on a cost per pupil basis and state foundation revenues from participating districts.

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 position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has one internal service fund and no enterprise funds.

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

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. 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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 Position.

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 position. The statement of changes in fund net position 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 inflows of resources and in the presentation of expenses versus expenditures.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 8. 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 Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

E. Budgetary Data

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

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

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

Encumbrances

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

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 The School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

During fiscal year 2014, investments were limited to demand deposits, certificates of deposit, money market, federal agency discount notes, US treasuries, commercial paper and STAR Ohio.

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

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2014. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2014.

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 from other funds during fiscal year 2014 amounted to \$30,946.

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, 2014, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

H. Materials and Supplies Inventory

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

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 the 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

I. Restricted Assets

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

J. Capital Assets

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

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

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

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

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 position.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees.

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

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

M. Accrued Liabilities and Long-Term Obligations

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

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

N. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for non-public schools and community involvement

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

O. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted Fund Balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

P. Operating Revenues and Expenses

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

Q. Inter-fund Transactions

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2014.

S. Estimates

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

Note 3 – Deficit Fund Balances

Fund equity/retained earnings at June 30, 2014 included the following individual fund deficits:

<u>Special Revenue:</u>	
Auxiliary Services fund	(\$5,991)

The deficit in the auxiliary services fund program is due to timing issues of when revenues are collected.

Note 4 - Budgetary Basis of Accounting

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

presented for the General Fund and Consortium Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and fund financial statements are the following:

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

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

Net Change in Fund Balance

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$6,263,989	\$0
Net adjustments for revenue accruals	(2,555,968)	37,540
Net adjustments ` expenditure accruals	(219,582)	(231,563)
Encumbrances outstanding at year end (Budget Basis)	<u>(299,481)</u>	<u>(5,567)</u>
Budget Basis	<u>\$3,188,958</u>	<u>\$ (199,590)</u>

Note 5 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fund Balances	General	Bond Retirement	Permanent Improvement Fund	Building Fund	Consortium Fund	Non Major Governmental Funds	Total
<i>Nonspendable</i>							
Inventory	\$ 91,882	\$ -	\$ -	\$ -	\$ -	\$ 7,393	\$ 99,275
<i>Restricted for</i>							
Budget Stablization	134,873	0	0	0	0	0	134,873
Food Service Operations	0	0	0	0	0	4,805	4,805
Unclaimed Funds	0	0	0	0	0	0	0
Expendable Trust Funds	0	0	0	0	0	24,859	24,859
Uniform Supplies	0	0	0	0	0	1,493	1,493
Marketing School Store	0	0	0	0	0	7,525	7,525
Recreation	0	0	0	0	0	12,761	12,761
Consortium Funds	0	0	0	0	237,171	0	237,171
Pupil Support	0	0	0	0	0	49,230	49,230
Local Grants	0	0	0	0	0	4,239	4,239
Preschool	0	0	0	0	0	506,200	506,200
District Managed Student Act.	0	0	0	0	0	39,459	39,459
State Grants	0	0	0	0	0	9,000	9,000
Federal Grants	0	0	0	0	0	3,254	3,254
Bond Retirement	0	2,954,498	0	0	0	0	2,954,498
Permanent Improvements	0	0	623,283	0	0	0	623,283
Building Funds	0	0	0	8,806	0	0	8,806
<i>Total Restricted</i>	<u>134,873</u>	<u>2,954,498</u>	<u>623,283</u>	<u>8,806</u>	<u>237,171</u>	<u>662,825</u>	<u>4,621,456</u>
<i>Committed</i>							
Encumbrances	<u>227,580</u>	<u>0</u>	<u>209,483</u>	<u>38,835</u>	<u>4,442</u>	<u>25,284</u>	<u>505,624</u>
<i>Assigned to</i>							
Other Purposes	<u>1,858,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,858,365</u>
<i>Unassigned</i>	<u>26,643,638</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,305)</u>	<u>26,627,633</u>
<i>Total Fund Balances</i>	<u><u>\$28,956,638</u></u>	<u><u>\$2,954,498</u></u>	<u><u>\$832,766</u></u>	<u><u>\$47,641</u></u>	<u><u>\$ 241,613</u></u>	<u><u>\$679,197</u></u>	<u><u>\$33,712,353</u></u>

Note 6 - Deposits and Investments

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

Cash on Hand

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

Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$10,964,830.82. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$2,665,537 of the District's bank balance of \$11,606,065 was exposed to custodial risk as discussed below, while \$8,940,529 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 School District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Investments

As of June 30, 2014, the School District had the following investments. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>
Federal Farm Credit	1,000,752	01/03/2015
Federal Farm Credit	1,000,030	08/09/2015
Federal Home Loan Bank	1,001,450	09/21/2015
Federal Farm Credit	998,127	05/09/2016
Federal Farm Credit	1,001,390	09/09/2016
Federal Home Loan Bank	1,001,230	05/19/2017
Federal Home Loan Bank	876,234	05/26/2017
Federal Home Loan Bank	1,001,300	06/26/2017
Federal Home Loan Bank	998,310	09/02/2017
Federal Home Loan Bank	998,850	03/12/2018
Federal Home Loan Bank	875,175	05/21/2018
Federal Home Loan Bank	995,540	12/19/2017
Federal Home Loan Bank	500,354	05/25/2018
Federal Home Loan Bank	1,004,130	04/17/2019
Federal Home Loan Bank	747,608	05/22/2019
Federal Home Loan Bank	747,285	06/26/2019
STAR Ohio	6,679,791	33 days
Total	<u>\$21,427,556</u>	

Interest Rate Risk

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

Credit Risk

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

Custodial Credit Risk

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Bank Notes represents 50.1%, Federal Farm Credits 18.7%, with STAR Ohio representing 31.2% of the School District's total investments.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2013, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 become a lien December 31, 2012, were levied after April 1, 2013 and are collected in 2014 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.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of the School District. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. These tax "advances" are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 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, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to unearned revenue for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2014 was \$5,244,561 for the General Fund, \$654,131 in the Bond Retirement Fund, and \$310,567 in the Permanent Improvement Fund.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second- Half Collections		2014 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$333,933,120	46.86%	\$334,775,570	47.22%
Industrial/Commercial	367,797,030	51.60	361,985,610	51.05
Public Utility	10,998,710	1.54	12,248,200	1.73
Total Assessed Value	<u>\$712,728,860</u>	<u>100.00%</u>	<u>\$709,009,380</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$86.40		\$86.40	

Note 8 - Receivables

Receivables at June 30, 2014, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full because of the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 9- Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance at 6/30/13	Additions	Reductions	Balance at 6/30/14
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$978,708	\$0	\$0	\$978,708
Construction in Progress	32,942,486	3,494,033	0	36,436,519
Total Assets not being depreciated	<u>33,921,194</u>	<u>3,494,033</u>	<u>0</u>	<u>37,415,227</u>
Capital Assets, being depreciated:				
Land Improvements	3,389,063	0	0	3,389,063
Buildings and Buildings				
Improvements	42,310,596	62,239	0	42,372,835
Vehicles	1,860,877	153,245	56,038	1,958,084
Equipment	6,389,604	956,343	73,289	7,272,658
Totals at Historical Cost	<u>53,950,140</u>	<u>1,171,827</u>	<u>129,327</u>	<u>54,992,640</u>
Less Accumulated Depreciation:				
Land Improvements	1,568,978	113,016	0	1,681,994
Buildings and Building				
Improvements	20,124,613	813,160	0	20,937,773
Vehicles	1,417,560	126,670	56,038	1,488,192
Equipment	4,825,998	707,203	69,970	5,463,231
Total Accumulated Depreciation	<u>27,937,149</u>	<u>1,760,049</u>	<u>126,008</u>	<u>29,571,190</u>
Total Capital Assets, being Depreciated, Net	<u>26,012,991</u>	<u>(588,222)</u>	<u>(3,319)</u>	<u>25,421,450</u>
Governmental Activities Capital Assets, Net	<u>\$59,934,185</u>	<u>\$2,905,811</u>	<u>\$ (3,319)</u>	<u>\$62,836,677</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$954,901
Special	46,659
Adult	55,538
Vocational	1,034
Support Services:	
Pupil	40,686
Instructional Staff	129,105
Board of Education	21,395
Administration	28,442
Fiscal	4,137
Business	4,784
Operation and Maintenance of Plant	179,072
Pupil Transportation	124,852
Central	9,649
Extra-curricular activities	34,782
Food service operations	60,745
Community	73,268
Total Depreciation Expense	<u>\$1,769,049</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 10 – Inter-fund Transactions

As of June 30, 2014, on the fund financial statements, the Consortium fund owed the General Fund \$1,840,179. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

During the year ended June 30, 2014, the General Fund transferred \$272,600 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 11 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2014, the School District contracted with Liberty Mutual for property, general liability insurance and boiler and machinery coverage in the amounts of \$90,544,714, \$2,000,000, and \$50,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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

The School District contracted with Cincinnati Insurance Company for public employee dishonesty coverage, with a \$50,000 limit and a \$500 deductible.

B. Workers' Compensation

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

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

C. Self-Insurance Program

The self-insurance program for dental of the School District employees and their covered dependents has been administered by Medical Mutual since September 1, 2006. Self-insured prescription drug claims are administered by Anthem. Self-insured vision claims are administered by Vision Service Plan (VSP). Under the program, the School District is obligated for claim payments. During fiscal year 2014, total claims expense of \$889,094 was recognized, which represents actual claims processed and paid as of June 30, 2014. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

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

Year	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2013	\$89,400	\$801,573	\$804,773	\$86,200
2014	86,200	892,294	889,094	89,400

Note 12 - Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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, 100 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under Employee/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10 percent. The remaining .90 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2014, 2013, and 2012 were \$774,600, \$765,248, and \$765,115 respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

B. State Teachers Retirement System

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

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

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

Funding Policy - For the fiscal year ended June 30, 2013 (latest information available), 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 2014, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013, and 2012, were \$1,862,673, \$1,796,552, and \$1,900,949 respectively; 99.7 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$89,153 made by the School District and \$70,049 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2014, three members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 13 – Other Post-employment Benefits (OPEB)

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2014, .14 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount of \$20,250; for 2014, this amount was \$100,047.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$8,278, \$9,347, and \$33,135, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2014, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$44,939, \$43,228, and \$45,184, respectively; 100 percent has been contributed for fiscal years 2014, 2013 and 2012.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$143,283, \$138,196, and \$140,226, respectively; 99.7 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012 (latest information available).

Note 14 - Employee Benefits

A. Compensated Absences

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

B. Health Care Benefits

The School District provides employee medical and surgical coverage through Anthem Blue Cross. The School District is self-insured for vision, prescription drug and dental claims of the School District employees and their covered dependents. The School District also entered into a 90%/102.5% contingent premium program with Anthem January 1, 2012. The program allows the School District to pay 90% of the premium cost to Anthem each month. However, the School District's maximum liability is 13.89% of the premium which is dependent on claims utilization and will be reconciled after the contract expires in December 2014. The School District has charged 102.5% of the premium to various funds, while paying Anthem 90% of the premium. Claims paid to Anthem were \$2,107,369. The School District received a 6 % increase in premium due to fees associated with the affordable care act. Individual stop loss coverage is set at \$75,000.

Note 15 – Long-Term Obligations

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

	Principal Outstanding 6/30/13	Additions	Reduction	Principal Outstanding 6/30/14	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$3,995,000	\$0	\$555,000	\$3,440,000	\$555,000
Total Long-Term Notes Payable	3,995,000	0	555,000	3,440,000	555,000
General Obligation Bonds					
2007 Advanced Refunding Premium	189,712	0	189,712	0	0
2007 Advanced Refunding 4.0% - 4.25%	5,869,997	0	5,665,000	204,997	75,000
2010 School Improvement 1.25-3.0%	5,625,000	0	1,100,000	4,525,000	1,125,000
2010 School Improvement Premium	228,264	0	45,652	182,612	45,652
2010 Build America Bonds 5.25-5.6%	11,150,000	0	11,150,000	0	0
2010 QSCB Bonds 5.125%	11,260,000	0	0	11,260,000	0
2012 Refunding 1%-2%	3,245,000	0	785,000	2,460,000	810,000
2013 Refunding .45-3.05%	0	5,420,000	0	5,420,000	145,000
2014 Refunding Tax Exempt 3-3.25%	0	11,149,966	0	11,149,966	0
Total General Obligation Bonds	37,567,973	16,569,966	18,935,364	35,202,575	2,200,652
Capital Lease	103,847	291,635	150,656	244,826	147,629
Compensated Absences Payable	2,478,414	80,754	298,202	2,260,966	80,754
Long-Term Liabilities	2,582,261	372,389	448,858	2,505,792	228,383
Total Long-Term Liabilities	\$44,145,234	\$16,942,355	\$19,939,222	\$41,148,367	\$2,984,035

Qualified School Construction Bonds (QSCB's) On May 13, 2010, the School District issued \$5,650,000 tax anticipation notes in the form of federally taxable direct payment qualified school construction bonds at an interest rate of 4.75%. These tax anticipation notes were issued to fund energy conservation related projects at the School District's High School. The Permanent Improvement Fund property taxes will pay for the bonds. The interest paid on the bonds had been 100% subsidized by the federal government through federal stimulus funds. However, due to sequestration, the remittance to the District decreased 7.2%. The federal government remits the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

In May 2010, the community overwhelming passed a \$30 million 2.5 mill bond issue payable over 24 years. One portion of the financing was an issuance of \$11,260,000 in Qualified School Construction Bonds at an interest rate of 5.125%. The bonds were issued to renovate the High School. The interest paid on the bonds had been 100% subsidized by the federal government through federal stimulus funds. Again, due to sequestration, the interest remitted to the District decreased by 7.2%. The federal government remits the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

Build America Bonds As part of the bond financing, the District issued \$11,150,000 in Build America Bonds where the federal government remitted 35% of the interest on the bonds to the School District which was part of the federal stimulus funds. The bonds had an extraordinary call provision which the School District exercised due to sequestration. In June 2014 the District refunded this debt with an overall 6.36% net present value savings in the amount of \$709,502. Interest rates range from 2.78% to 3.66%. The debt rating assigned by Moody's is Aaa.

General Obligation Bonds The School District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. In July 2007, a portion of the School District's general obligation funds was advanced refunded and re-issued at a lower interest rate in the amount of \$6,244,997 with an interest rate of 4.00-4.25%. Present value savings from the advanced refunding is \$247,906. In December 2013, the District refunded a portion of these bonds in the amount of \$5,590,000 and reissued bonds in the amount of \$5,420,000. The District used \$500,000 of its sinking fund to defease a portion of the debt and also shortened the payback period by one year. The debt with mature on December 1, 2021. Net present value savings is \$312,100.

Proceeds from the sale of the Bonds that were used to advance refund the Refunded Bonds were deposited in an Escrow Fund held by The Bank of New York Mellon Trust Company, N.A. (the Escrow Agent), pursuant to an Escrow Agreement between the School District and the Escrow Agent dated December 31, 2013 (the Escrow Agreement). The money deposited in the Escrow Fund will be held in for the (i) payment of interest on the Refunded Bonds when due on June 1, 2014 and December 1, 2014, and (ii) payment of the principal amount of the Refunded Bonds upon their prior optional redemption on December 1, 2014, as provided in the Authorizing Legislation. The Authorizing Legislation provides for an irrevocable call for optional redemption of the Refunded Bonds on December 1, 2014, at a redemption price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date.

In August 2010, the School District issued \$7,590,000 in tax exempt general obligation bonds with an interest rate of 1.25%-3.0%. The District received a premium of \$319,567 which will be amortized over the life of the issue (7 years for this portion of the debt issued).

In November 2012, the School District refunded \$3,260,000 of its outstanding bonds and reissued \$3,245,000 at a lower interest rate of 1%-2%. Net present value savings was \$225,082.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

All bonds outstanding are general obligation of the School District for which the full faith and credit of the School District are pledged for repayment. General obligation bonds are to be repaid from a current 4.4 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Bond Retirement Fund.

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

Capital Leases During fiscal year 2012, the School District entered into a capital lease for computers in the amount of \$172,087 at an interest rate of 2.55%. In fiscal year 13 the School District entered into a capital lease for computers in the amount of \$157,750 at an interest rate of 2.697%. In fiscal year 2014 the School District entered into a capital lease for computers in the amount of \$291,635 at an interest rate of 2.14%. 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 position. The capital lease will be repaid from the General fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2014.

Fiscal Year Beginning June 30	General Fund
2015	\$153,180
2016	99,278
Total Minimum Lease Payments	252,458
Less Amount Representing Interest	(7,632)
Present Value of Lease Payments	\$244,826
Capital Assets at Gross Cost:	\$621,472
Less: Accumulated Depreciation	(224,678)
Net Book Value	\$396,794

The School District's overall voted debt margin was \$28,608,269 with an un-voted debt margin of \$709,009 at June 30, 2014.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2014, were as follows:

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fiscal Year Ending	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest*	Principal	Interest*	Principal	Interest	Principal	Interest
2015	555,000	268,375	2,155,000	1,142,639	147,629	5,551	2,857,629	1,416,565
2016	550,000	268,375	2,190,000	1,126,995	97,197	2,081	2,837,197	1,397,451
2017	550,000	268,375	2,220,000	1,078,200	0	0	2,770,000	1,346,575
2018	550,000	268,375	1,459,997	1,898,514	0	0	2,009,997	2,166,889
2019	550,000	268,375	2,390,000	1,015,501	0	0	2,940,000	1,283,876
2020-2024	685,000	134,188	11,644,966	5,057,905	0	0	12,329,966	5,192,093
2025-2029	0	0	10,055,000	2,385,425	0	0	10,055,000	2,385,425
2030-2035	0	0	2,905,000	104,169			2,905,000	104,169
Total	\$3,440,000	\$1,476,063	\$35,019,963	\$13,809,348	\$244,826	\$7,632	\$38,704,789	\$15,293,043

* \$8,689,501 direct payments from federal government, less 7.2% due to sequestration.

Note 16 - Set-Asides

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

The following cash basis information describes the change in the fiscal year end set-aside amounts for capital acquisitions. Disclosure of this information is required by State statute

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balances as of June 30, 2013	\$0	\$134,873
Set-aside Balance Carried Forward	0	0
Current Year Set-Aside Requirement	260,794	0
Qualifying Disbursements	<u>(5,089,327)</u>	<u>0</u>
Total	<u>(\$4,828,533)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>\$0</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2014	<u>\$0</u>	<u>\$134,873</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the set-asides at the end of the fiscal year was \$134,873.

Note 17 – Jointly Governed Organizations

Ohio Schools' Council Association - The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred twenty one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2014, the School District paid \$120,794 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The OSC's Natural Gas Program supplies natural gas to member districts in Dominion East Ohio (DEO) and Columbia Gas of Ohio (COH) territories. Our current supplier and manager is Compass Energy Gas Services, LLC. In December 2012, OSC extended the base contract for sale and purchase of Natural Gas with Compass Energy Gas Services, LLC from April 1, 2013 until March 31, 2016. This new contract reduced prices \$0.156 per city gate Dth for DEO accounts and \$0.266 per city gate Dth for COH accounts. DEO accounts are priced at the monthly NYMEX LDS price plus \$.242 per city gate Dth and Columbia Gas of Ohio accounts are priced at monthly NYMEX LDS price plus \$.309 per city gate Dth.

In FY14 (July 2013 to June 2014), 151 members saved a total of \$1,164,097.36 on 3,246,081 Mcf of natural gas. The average price of Natural Gas for fiscal year 2014 was \$5.302 Mcf for Columbia Gas of Ohio and \$5.258 Mcf for Dominion East Ohio Gas.

Members are billed using a monthly level billing. The level billing amounts are adjusted each year based on the prior year's usage and the best estimate of the cost of gas from our gas management company. Due to actual gas prices and usage being higher than estimated for 2013-14, 33% of the members were billed for true-up and 67% of the members were issued credits towards their regular monthly level billing in 2014-15. The members that owe for true-up will be charged on the September invoice. Districts that have credits will be applied to each monthly billing beginning in September until the credits are eliminated. The fee to participate in this program is \$0.07 per dth.

In May 2014, The Ohio Schools Council negotiated and approved a contract for discounted electric generation with First Energy Solutions through Power4Schools(P4S) for schools in the FirstEnergy territory—Ohio Edison, Cleveland Electric Illuminating and Toledo Edison. The price was \$.602 per kWh for all district facilities and was guaranteed through May 31, 2017. There are 110 districts participating in this program including Beachwood School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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 \$63,485 to LGCA during fiscal year 2014.

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

Note 18 - Contingencies

A. Grants

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2014.

B. Litigation

The School District has been named as a defendant in several court cases through the period ended June 30, 2014. 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 believes that the School District has adequate insurance coverage to protect itself against any material loss.

Note 19 – Contractual Commitments

At June 30, 2014, the School District’s significant contractual commitments which were reported as accounts payable consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amounts Paid to Date</u>	<u>Remaining Contract</u>
HS Renovation	\$1,013,159	\$737,401	\$275,758

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 20 - Miscellaneous Revenue

During Fiscal Year 2014, the Beachwood City School District Board of Education received unbudgeted revenue in the amount of \$2.3 million dollars as a result of the settlement of litigation regarding the valuation of real property; said revenue has been classified as miscellaneous revenue in the General Fund for Fiscal Year 2014.

Note 21 – Subsequent Event

During Fiscal Year 2015, the Beachwood City School District settled contract negotiations with its educational interpreters (BEIU). The contract is for a three year period commencing July 1, 2014.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

Marketing Store – This fund accounts for the sales of school spirit wear in conjunction with the Marketing program.

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

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

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

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

District Managed Student Activities - This fund accounts for revenues from athletic events and all costs (except supplemental coaching contracts) of the School 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, Fuchs and Yavne) within the School District.

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

Race to the Top (RttT) Grant – The purpose of this fund is a state-wide initiative to implement a world class education system which will achieve high graduation rates and increased academic performance.

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.

(continued)

Nonmajor Special Revenue Funds (continued)

Title III - This fund is to account for money used to educate immigrant children enrolled at Beachwood City School District.

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.

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

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

Nonmajor Proprietary Fund

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

Internal Service Fund

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

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

Beachwood City Schools
Combining Balance Sheet
Nonmajor Governmental Fund
June 30, 2014

	Special Revenue
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 750,987
Materials and Supplies Inventory	7,393
Accounts Receivable	1,736
<i>Total Assets</i>	\$ 760,116
LIABILITIES:	
Accounts Payable	7,543
Accrued Wages and Benefits	37,842
Due to Other Funds	30,000
Intergovernmental Payable	4,828
Unearned Revenue	706
<i>Total Liabilities</i>	80,919
FUND BALANCES:	
Nonspendable	7,393
Restricted	662,825
Committed	25,284
Unassigned	(16,305)
<i>Total Fund Balances</i>	679,197
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 760,116

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund
For the Fiscal Year Ended June 30, 2014

	Special Revenue
REVENUES:	
Intergovernmental	\$ 1,202,998
Interest	46
Tuition and Fees	559,089
Extracurricular Activities	83,075
Gifts and Donations	17,414
Customer Sales and Services	359,994
Miscellaneous	2,757
<i>Total Revenues</i>	<i>2,225,373</i>
EXPENDITURES:	
Current:	
Instruction:	
Regular	77,623
Special	328,031
Adult/Continuing	99,088
Support Services:	
Pupils	130,256
Instructional Staff	8,850
Administration	901
Fiscal	9,644
Central	10,584
Operation of Non-Instructional/Shared Services:	
Food Service Operations	579,318
Community Services	1,129,789
Shared Services	25,416
Extracurricular Activities:	
Academic Oriented Activities	2,459
Sport Oriented Activities	164,949
<i>Total Expenditures</i>	<i>2,566,908</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(341,535)</i>
OTHER FINANCING SOURCES AND USES:	
Transfers In	272,600
<i>Total Other Financing Sources and Uses</i>	<i>272,600</i>
<i>Net Change in Fund Balances</i>	<i>(68,935)</i>
<i>Fund Balance (Deficit) at Beginning of Year</i>	<i>748,132</i>
<i>Fund Balance (Deficit) at End of Year</i>	<i>\$ 679,197</i>

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Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,865	\$ 24,859	\$ 1,493
Materials and Supplies Inventory	7,393		
Accounts Receivable	1,646		
<i>Total Assets</i>	<u>\$ 12,904</u>	<u>\$ 24,859</u>	<u>\$ 1,493</u>
LIABILITIES:			
Accounts Payable			
Accrued Wages and Benefits			
Due to Other Funds			
Intergovernmental Payable			
Unearned Revenue	706		
<i>Total Liabilities</i>	<u>706</u>		
FUND BALANCES:			
Nonspendable	7,393		
Restricted	4,805	24,859	1,493
Committed			
Unassigned			
<i>Total Fund Balances</i>	<u>12,198</u>	<u>24,859</u>	<u>1,493</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 12,904</u>	<u>\$ 24,859</u>	<u>\$ 1,493</u>

<u>Marketing School Store</u>	<u>Recreation</u>	<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>
\$ 7,483	\$ 13,906	\$ 49,507	\$ 4,267	\$ 543,941	\$ 39,534	\$ 35,217
42				48		
<u>\$ 7,525</u>	<u>\$ 13,906</u>	<u>\$ 49,507</u>	<u>\$ 4,267</u>	<u>\$ 543,989</u>	<u>\$ 39,534</u>	<u>\$ 35,217</u>
	167	169		807		5,596
	861			32,044		4,937
	117			4,036		30,000
						675
	<u>1,145</u>	<u>169</u>		<u>36,887</u>		<u>41,208</u>
7,525	12,761	49,230	4,239	506,200	39,459	10,314
		108	28	902	75	(16,305)
<u>7,525</u>	<u>12,761</u>	<u>49,338</u>	<u>4,267</u>	<u>507,102</u>	<u>39,534</u>	<u>(5,991)</u>
<u>\$ 7,525</u>	<u>\$ 13,906</u>	<u>\$ 49,507</u>	<u>\$ 4,267</u>	<u>\$ 543,989</u>	<u>\$ 39,534</u>	<u>\$ 35,217</u>

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	One Net	Race to the Top Grant (RttT)	IDEA B
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 9,000	\$ 1,221	\$ 2,440
Materials and Supplies Inventory			
Accounts Receivable			
<i>Total Assets</i>	\$ 9,000	\$ 1,221	\$ 2,440
LIABILITIES:			
Accounts Payable			
Accrued Wages and Benefits			
Due to Other Funds			
Intergovernmental Payable			
Unearned Revenue			
<i>Total Liabilities</i>			
FUND BALANCES:			
Nonspendable			
Restricted	9,000	405	1,761
Committed		816	679
Unassigned			
<i>Total Fund Balances</i>	9,000	1,221	2,440
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	\$ 9,000	\$ 1,221	\$ 2,440

<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ 14,254	\$ -	\$ -	\$ 750,987
				7,393
				1,736
<u>\$ -</u>	<u>\$ 14,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,116</u>
	804			7,543
				37,842
				30,000
				4,828
				706
	<u>804</u>			<u>80,919</u>
				7,393
	1,088			662,825
	12,362			25,284
				(16,305)
	<u>13,450</u>			<u>679,197</u>
<u>\$ -</u>	<u>\$ 14,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,116</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, 2014

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>
REVENUES:			
Intergovernmental	\$ 57,098	\$ -	\$ -
Interest	23	1	
Tuition and Fees			
Extracurricular Activities			
Gifts and Donations		125	
Customer Sales and Services	343,146	6,883	
Miscellaneous	2,584		
<i>Total Revenues</i>	<u>402,851</u>	<u>7,009</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Special			
Adult/Continuing			
Support Services:			
Pupils		(9,630)	
Instructional Staff			
Administration		265	
Fiscal		9,644	
Central			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	579,318		
Community Services			
Shared Services			
Extracurricular Activities:			
Academic Oriented Activities			
Sport Oriented Activities			
<i>Total Expenditures</i>	<u>579,318</u>	<u>279</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(176,467)</u>	<u>6,730</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	51,000		
<i>Total Other Financing Sources and Uses</i>	<u>51,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(125,467)	6,730	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>137,665</u>	<u>18,129</u>	<u>1,493</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 12,198</u>	<u>\$ 24,859</u>	<u>\$ 1,493</u>

<u>Marketing School Store</u>	<u>Recreation</u>	<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,600
				559,089		22
32,941		15,129			50,134	
	6,853	706	2,600	46	2,160	
					(240)	
						173
<u>32,941</u>	<u>6,853</u>	<u>15,835</u>	<u>2,600</u>	<u>559,135</u>	<u>52,054</u>	<u>558,795</u>
		12,625	1,600	(908)		
	99,088					
			636			
				(1,116)		
				474,531		630,411
25,416					2,459	
					164,949	
<u>25,416</u>	<u>99,088</u>	<u>12,625</u>	<u>2,236</u>	<u>472,507</u>	<u>167,408</u>	<u>630,411</u>
<u>7,525</u>	<u>(92,235)</u>	<u>3,210</u>	<u>364</u>	<u>86,628</u>	<u>(115,354)</u>	<u>(71,616)</u>
	106,000		600		115,000	
<u>0</u>	<u>106,000</u>	<u>0</u>	<u>600</u>	<u>0</u>	<u>115,000</u>	<u>0</u>
7,525	13,765	3,210	964	86,628	(354)	(71,616)
<u>0</u>	<u>(1,004)</u>	<u>46,128</u>	<u>3,303</u>	<u>420,474</u>	<u>39,888</u>	<u>65,625</u>
<u>\$ 7,525</u>	<u>\$ 12,761</u>	<u>\$ 49,338</u>	<u>\$ 4,267</u>	<u>\$ 507,102</u>	<u>\$ 39,534</u>	<u>\$ (5,991)</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, 2014

	<u>One Net</u>	<u>Race to the Top Grant (RttT)</u>	<u>IDEA B</u>	<u>Title III</u>
REVENUES:				
Intergovernmental	\$ 9,000	\$ 28,465	\$ 370,229	\$ 15,152
Interest				
Tuition and Fees				
Extracurricular Activities				
Gifts and Donations				
Customer Sales and Services				
Miscellaneous				
<i>Total Revenues</i>	<u>9,000</u>	<u>28,465</u>	<u>370,229</u>	<u>15,152</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular		18,394	45,912	
Special			162,959	15,152
Adult/Continuing				
Support Services:				
Pupils			139,886	
Instructional Staff		8,850		
Administration				
Fiscal				
Central	11,700			
Operation of Non-Instructional/Shared Services:				
Food Service Operations				
Community Services			23,677	
Shared Services				
Extracurricular Activities:				
Academic Oriented Activities				
Sport Oriented Activities				
<i>Total Expenditures</i>	<u>11,700</u>	<u>27,244</u>	<u>372,434</u>	<u>15,152</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,700)</u>	<u>1,221</u>	<u>(2,205)</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In				
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,700)	1,221	(2,205)	
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>11,700</u>	<u>0</u>	<u>4,645</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 9,000</u>	<u>\$ 1,221</u>	<u>\$ 2,440</u>	<u>\$ -</u>

<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ 131,296	\$ 10,284	\$ 22,874	\$ 1,202,998
			46
			559,089
			83,075
			17,414
			359,994
			2,757
<u>131,296</u>	<u>10,284</u>	<u>22,874</u>	<u>2,225,373</u>
			77,623
117,932	10,284	21,704	328,031
			99,088
			130,256
			8,850
			901
			9,644
			10,584
			579,318
		1,170	1,129,789
			25,416
			2,459
			164,949
<u>117,932</u>	<u>10,284</u>	<u>22,874</u>	<u>2,566,908</u>
<u>13,364</u>	<u>0</u>	<u>0</u>	<u>(341,535)</u>
			272,600
<u>0</u>	<u>0</u>	<u>0</u>	<u>272,600</u>
13,364			(68,935)
<u>86</u>	<u>0</u>	<u>0</u>	<u>748,132</u>
<u>\$ 13,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 679,197</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, 2014

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Retirement				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 125,955	\$ 2,464,383	\$ 2,171,924	\$ 418,414
Total Assets	<u>\$ 125,955</u>	<u>\$ 2,464,383</u>	<u>\$ 2,171,924</u>	<u>\$ 418,414</u>
LIABILITIES:				
Undistributed Monies	\$ 125,955	\$ 2,464,383	\$ 2,171,924	\$ 418,414
Total Liabilities	<u>\$ 125,955</u>	<u>\$ 2,464,383</u>	<u>\$ 2,171,924</u>	<u>\$ 418,414</u>
Student Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 66,932	\$ 102,362	\$ 104,256	\$ 65,038
Total Assets	<u>\$ 66,932</u>	<u>\$ 102,362</u>	<u>\$ 104,256</u>	<u>\$ 65,038</u>
LIABILITIES:				
Due to Students	\$ 66,932	\$ 102,362	\$ 104,256	\$ 65,038
Total Liabilities	<u>\$ 66,932</u>	<u>\$ 102,362</u>	<u>\$ 104,256</u>	<u>\$ 65,038</u>
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 192,887	\$ 2,566,745	\$ 2,276,180	\$ 483,452
Total Assets	<u>\$ 192,887</u>	<u>\$ 2,566,745</u>	<u>\$ 2,276,180</u>	<u>\$ 483,452</u>
LIABILITIES:				
Undistributed Monies	\$ 125,955	\$ 2,464,383	\$ 2,171,924	\$ 418,414
Due to Students	66,932	102,362	104,256	65,038
Total Liabilities	<u>\$ 192,887</u>	<u>\$ 2,566,745</u>	<u>\$ 2,276,180</u>	<u>\$ 483,452</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 24,616,536	\$ 26,680,486	\$ 26,705,909	\$ 25,423
Intergovernmental	5,489,535	5,590,575	5,433,146	(157,429)
Interest	65,000	105,000	120,189	15,189
Tuition and Fees	418,248	416,989	481,404	64,415
Rent	309,186	309,186	311,240	2,054
Extracurricular Activities	0	0	10	10
Gifts and Donations	2,050	2,050	3,775	1,725
Customer Sales and Services	192,840	192,840	149,008	(43,832)
Miscellaneous	335,224	2,614,017	2,668,245	54,228
Total Revenues	<u>31,428,619</u>	<u>35,911,143</u>	<u>35,872,926</u>	<u>(38,217)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	8,433,550	8,408,189	8,394,956	13,233
Fringe Benefits	2,475,305	2,422,779	2,397,099	25,680
Purchased Services	386,996	351,899	327,588	24,311
Materials and Supplies	404,086	293,140	280,036	13,104
Other	46,665	36,163	35,885	278
Capital Outlay	227,323	271,873	269,264	2,609
Total - Regular	<u>11,973,925</u>	<u>11,784,043</u>	<u>11,704,828</u>	<u>79,215</u>
Special				
Salaries	2,869,271	2,671,877	2,650,672	21,205
Fringe Benefits	1,111,542	976,739	976,360	379
Purchased Services	1,253,567	1,480,952	1,433,171	47,781
Materials and Supplies	22,566	26,066	19,499	6,567
Capital Outlay	11,401	9,901	7,741	2,160
Total - Special	<u>5,268,347</u>	<u>5,165,535</u>	<u>5,087,443</u>	<u>78,092</u>
Vocational				
Purchased Services	381,250	832,250	830,537	1,713
Materials and Supplies	50	50		50
Other	14,699	9,699	8,926	773
Total - Vocational	<u>395,999</u>	<u>841,999</u>	<u>839,463</u>	<u>2,536</u>
Other				
Fringe Benefits	29,500	29,500	28,503	997
Purchased Services	305,000	256,000	253,036	2,964
Other	10,080	8,000	7,647	353
Total - Other	<u>344,580</u>	<u>293,500</u>	<u>289,186</u>	<u>4,314</u>
Total - Instruction:	<u>17,982,851</u>	<u>18,085,077</u>	<u>17,920,920</u>	<u>164,157</u>
Support Services:				
Pupils				
Salaries	1,206,785	1,129,619	1,129,019	600
Fringe Benefits	419,447	388,519	388,037	482

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, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget
Purchased Services	117,331	167,421	167,285	136
Materials and Supplies	7,176	8,511	6,564	1,947
Other	624	624	579	45
Capital Outlay	2,439	2,439	614	1,825
Total - Pupils	1,753,802	1,697,133	1,692,098	5,035
Instructional Staff				
Salaries	939,795	977,295	976,919	376
Fringe Benefits	339,931	336,931	335,059	1,872
Purchased Services	239,573	283,959	271,239	12,720
Materials and Supplies	49,305	59,909	54,899	5,010
Other	641	641	0	641
Capital Outlay	502,629	367,752	315,062	52,690
Total - Instructional Staff	2,071,874	2,026,487	1,953,178	73,309
Board of Education				
Salaries	20,690	16,690	16,500	190
Fringe Benefits	2,853	2,853	2,534	319
Purchased Services	520,798	409,798	395,641	14,157
Materials and Supplies	3,243	3,243	2,808	435
Other	28,916	25,716	25,535	181
Capital Outlay	2,450	1,450	912	538
Total - Board of Education	578,950	459,750	443,930	15,820
Administration				
Salaries	1,506,374	1,513,374	1,511,380	1,994
Fringe Benefits	674,690	648,890	648,479	411
Purchased Services	187,759	126,329	97,865	28,464
Materials and Supplies	20,208	22,858	19,381	3,477
Other	64,454	49,454	48,450	1,004
Capital Outlay	16,417	8,458	4,373	4,085
Total - Administration	2,469,902	2,369,363	2,329,928	39,435
Fiscal				
Salaries	356,785	356,785	355,827	958
Fringe Benefits	153,461	145,461	144,092	1,369
Purchased Services	23,883	17,883	15,736	2,147
Materials and Supplies	9,021	9,021	7,319	1,702
Other	491,467	520,467	518,353	2,114
Total - Fiscal	1,034,617	1,049,617	1,041,327	8,290
Business				
Salaries	120,260	134,760	134,102	658
Fringe Benefits	68,333	56,408	54,277	2,131
Purchased Services	177,466	127,466	122,577	4,889
Materials and Supplies	36,566	17,066	14,633	2,433
Other	4,000	1,000	(45)	1,045
Capital Outlay	8,186	1,186	494	692
Total - Business	414,811	337,886	326,038	11,848

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operation and Maintenance of Plant				
Salaries	1,204,220	1,204,238	1,185,981	18,257
Fringe Benefits	484,793	480,877	474,929	5,948
Purchased Services	1,267,126	1,590,461	1,508,412	82,049
Materials and Supplies	267,511	205,511	195,734	9,777
Capital Outlay	43,574	33,574	27,316	6,258
Total - Operation and Maintenance of Plant	<u>3,267,224</u>	<u>3,514,661</u>	<u>3,392,372</u>	<u>122,289</u>
Pupil Transportation				
Salaries	1,049,440	1,107,940	1,096,895	11,045
Fringe Benefits	373,138	394,138	390,249	3,889
Purchased Services	76,200	135,700	129,346	6,354
Materials and Supplies	259,800	250,300	233,629	16,671
Capital Outlay	150,500	156,500	155,153	1,347
Total - Pupil Transportation	<u>1,909,078</u>	<u>2,044,578</u>	<u>2,005,272</u>	<u>39,306</u>
Central				
Salaries	77,589	72,589	70,239	2,350
Fringe Benefits	32,965	32,965	31,848	1,117
Purchased Services	122,432	78,432	74,761	3,671
Materials and Supplies	105,287	56,687	55,317	1,370
Other	4,496	4,696	4,655	41
Total - Central	<u>342,769</u>	<u>245,369</u>	<u>236,820</u>	<u>8,549</u>
Total - Support Services:	<u>13,843,027</u>	<u>13,744,844</u>	<u>13,420,963</u>	<u>323,881</u>
Operation of Non-Instructional/Shared Services:				
Community Services				
Purchased Services	10,000	89,500	86,340	3,160
Materials and Supplies	5,344	11,769	10,810	959
Total - Community Services	<u>15,344</u>	<u>101,269</u>	<u>97,150</u>	<u>4,119</u>
Total - Operation of Non-Instructional/Shared Services:	<u>15,344</u>	<u>101,269</u>	<u>97,150</u>	<u>4,119</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	162,054	164,054	152,430	11,624
Fringe Benefits	27,099	28,099	27,830	269
Total - Academic Oriented Activities	<u>189,153</u>	<u>192,153</u>	<u>180,260</u>	<u>11,893</u>
Sport Oriented Activities				
Salaries	588,563	588,563	555,275	33,288
Fringe Benefits	154,887	153,887	151,449	2,438
Total - Sport Oriented Activities	<u>743,450</u>	<u>742,450</u>	<u>706,724</u>	<u>35,726</u>
School and Public Service Co-Curricular Activities				
Salaries	23,703	27,703	27,465	238
Fringe Benefits	3,623	4,623	4,410	213

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Total - School and Public Service Co-Curricular Activities	27,326	32,326	31,875	451
Total - Extracurricular Activities:	959,929	966,929	918,859	48,070
Capital Outlay:				
Other Facilities Acquisition and Construction				
Purchased Services	39,000	3,000	2,840	160
Total - Other Facilities Acquisition and Construction	39,000	3,000	2,840	160
Total - Capital Outlay:	39,000	3,000	2,840	160
Total Expenditures	32,840,151	32,901,119	32,360,732	540,387
Excess of Revenues Over (Under) Expenditures	(1,411,532)	3,010,024	3,512,194	502,170
OTHER FINANCING SOURCES AND USES:				
Transfers In	300,000	308,276	308,247	(29)
Proceeds from Sale of Capital Assets	2,500	2,720	2,720	
Refund of Prior Year Expenditures	2,500	2,500	568	(1,932)
Transfers Out	(700,000)	(640,000)	(604,771)	35,229
Advances Out		(30,000)	(30,000)	
Total Other Financing Sources and Uses	(395,000)	(356,504)	(323,236)	33,268
Net Change in Fund Balances	(1,806,532)	2,653,520	3,188,958	535,438
Fund Balance (Deficit) at Beginning of Year	20,292,644	20,292,644	20,292,644	
Prior Year Encumbrances Appropriated	302,810	302,810	302,810	
Fund Balance (Deficit) at End of Year	<u>\$ 18,788,922</u>	<u>\$ 23,248,974</u>	<u>\$ 23,784,412</u>	<u>\$ 535,438</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 3,179,451	\$ 3,293,493	\$ 114,042
Intergovernmental	1,252,796	1,242,318	(10,478)
Total Revenues	<u>4,432,247</u>	<u>4,535,811</u>	<u>103,564</u>
EXPENDITURES:			
Debt Service:			
Principal			
Principal Retirement	2,515,000	2,515,000	0
Total - Principal	<u>2,515,000</u>	<u>2,515,000</u>	<u>0</u>
Interest			
Interest and Fiscal Charges	1,895,503	1,895,502	1
Total - Interest	<u>1,895,503</u>	<u>1,895,502</u>	<u>1</u>
Issuance Costs			
Refunding Bond Issuance Costs	250,658	250,658	
Total - Issuance Costs	<u>250,658</u>	<u>250,658</u>	
Total - Debt Service:	<u>4,661,161</u>	<u>4,661,160</u>	<u>1</u>
Total Expenditures	<u>4,661,161</u>	<u>4,661,160</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	<u>(228,914)</u>	<u>(125,349)</u>	<u>103,565</u>
OTHER FINANCING SOURCES AND USES:			
Refunding Bonds Issued	16,569,966	16,569,966	0
Premium on Refunding Bonds Issued	253,713	253,713	0
Discount on Bonds and Notes Issued	(6,729)	(6,729)	0
Payment to Refunded Bond Escrow Agent	(16,740,000)	(16,740,000)	0
Total Other Financing Sources and Uses	<u>76,950</u>	<u>76,950</u>	<u>0</u>
Net Change in Fund Balances	(151,964)	(48,399)	103,565
Fund Balance (Deficit) at Beginning of Year	<u>2,304,693</u>	<u>2,304,693</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,152,729</u>	<u>\$ 2,256,294</u>	<u>\$ 103,565</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 727,216	\$ 794,050	\$ 66,834
Intergovernmental	121,904	126,063	4,159
Interest	0	325	325
Miscellaneous	4,500	4,500	
Total Revenues	<u>853,620</u>	<u>924,938</u>	<u>71,318</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	50,000	41,271	8,729
Operation and Maintenance of Plant	50,700	50,441	259
Extracurricular Activities:			
Sport Oriented Activities	15,260	0	15,260
Capital Outlay:			
Architecture and Engineering Services	17,000	4,780	12,220
Building Acquisition and Construction Services	65,000	63,021	1,979
Other Facilities Acquisition and Construction	2,002,040	1,976,206	25,834
Total Expenditures	<u>2,200,000</u>	<u>2,135,719</u>	<u>64,281</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,346,380)</u>	<u>(1,210,781)</u>	<u>135,599</u>
Net Change in Fund Balances	(1,346,380)	(1,210,781)	135,599
Fund Balance (Deficit) at Beginning of Year	1,274,982	1,274,982	
Prior Year Encumbrances Appropriated	<u>593,952</u>	<u>593,952</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 522,554</u>	<u>\$ 658,153</u>	<u>\$ 135,599</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 40,000	\$ 11,829	\$ (28,171)
Total Revenues	<u>40,000</u>	<u>11,829</u>	<u>(28,171)</u>
EXPENDITURES:			
Capital Outlay:			
Architecture and Engineering Services	116,305	116,302	3
Building Acquisition and Construction Services	242,385	242,385	0
Building Improvement Services	200,931	200,931	0
Other Facilities Acquisition and Construction	<u>2,670,023</u>	<u>2,669,749</u>	<u>274</u>
Total Expenditures	<u>3,229,644</u>	<u>3,229,367</u>	<u>277</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,189,644)</u>	<u>(3,217,538)</u>	<u>(27,894)</u>
Net Change in Fund Balances	(3,189,644)	(3,217,538)	(27,894)
Fund Balance (Deficit) at Beginning of Year	137,379	137,379	
Prior Year Encumbrances Appropriated	<u>3,088,968</u>	<u>3,088,968</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 36,703</u>	<u>\$ 8,809</u>	<u>\$ (27,894)</u>

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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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 765,450	\$ 775,138	\$ 9,688
Tuition and Fees	1,429,740	1,193,371	(236,369)
Customer Sales and Services	20,000	18,834	(1,166)
Total Revenues	<u>2,215,190</u>	<u>1,987,343</u>	<u>(227,847)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	373,622	368,563	5,059
Fringe Benefits	132,402	130,434	1,968
Purchased Services	17,325	11,519	5,806
Materials and Supplies	5,074	3,122	1,952
Capital Outlay	47,100	40,372	6,728
Total - Special	<u>575,523</u>	<u>554,010</u>	<u>21,513</u>
Vocational			
Salaries	508,250	505,087	3,163
Fringe Benefits	169,502	168,791	711
Purchased Services	21,678	16,850	4,828
Materials and Supplies	73,046	66,981	6,065
Other	3,143	3,023	120
Capital Outlay	70,800	69,857	943
Total - Vocational	<u>846,419</u>	<u>830,589</u>	<u>15,830</u>
Total - Instruction:	<u>1,421,942</u>	<u>1,384,599</u>	<u>37,343</u>
Support Services:			
Pupils			
Salaries	539,528	539,286	242
Fringe Benefits	201,837	199,639	2,198
Purchased Services	7,120	7,120	
Total - Pupils	<u>748,485</u>	<u>746,045</u>	<u>2,440</u>
Administration			
Salaries	7,200	7,185	15
Fringe Benefits	2,834	2,081	753
Total - Administration	<u>10,034</u>	<u>9,266</u>	<u>768</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Operation and Maintenance of Plant			
Salaries	20,127	19,780	347
Fringe Benefits	8,900	8,879	21
Purchased Services	16,705	16,205	500
Materials and Supplies	2,600	2,159	441
	<u>48,332</u>	<u>47,023</u>	<u>1,309</u>
Total - Operation and Maintenance of Plant			
Total - Support Services:	<u>806,851</u>	<u>802,334</u>	<u>4,517</u>
Total Expenditures	<u>2,228,793</u>	<u>2,186,933</u>	<u>41,860</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,603)</u>	<u>(199,590)</u>	<u>(185,987)</u>
Net Change in Fund Balances	(13,603)	(199,590)	(185,987)
Fund Balance (Deficit) at Beginning of Year	2,263,453	2,263,453	
Prior Year Encumbrances Appropriated	<u>2,948</u>	<u>2,948</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,252,798</u>	<u>\$ 2,066,811</u>	<u>\$ (185,987)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 76,523	\$ 57,098	\$ (19,425)
Interest	0	23	23
Customer Sales and Services	406,994	343,044	(63,950)
Miscellaneous	8,000	2,584	(5,416)
Total Revenues	<u>491,517</u>	<u>402,749</u>	<u>(88,768)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations			
Fringe Benefits	5,657	5,657	0
Purchased Services	499,796	478,205	21,591
Materials and Supplies	2,000	103	1,897
Other	1,636	1,636	1,636
Capital Outlay	105,196	96,171	9,025
Total - Food Service Operations	<u>614,285</u>	<u>580,136</u>	<u>34,149</u>
Total - Operation of Non-Instructional/Shared Services:	<u>614,285</u>	<u>580,136</u>	<u>34,149</u>
Total Expenditures	<u>614,285</u>	<u>580,136</u>	<u>34,149</u>
Excess of Revenues Over (Under) Expenditures	<u>(122,768)</u>	<u>(177,387)</u>	<u>(54,619)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	50,000	51,000	1,000
Total Other Financing Sources and Uses	<u>50,000</u>	<u>51,000</u>	<u>1,000</u>
Net Change in Fund Balances	(72,768)	(126,387)	(53,619)
Fund Balance (Deficit) at Beginning of Year	22,103	22,103	
Prior Year Encumbrances Appropriated	108,149	108,149	
Fund Balance (Deficit) at End of Year	<u>\$ 57,484</u>	<u>\$ 3,865</u>	<u>\$ (53,619)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 15	\$ 1	\$ (14)
Gifts and Donations	1,250	125	(1,125)
Customer Sales and Services	<u>6,500</u>	<u>6,883</u>	<u>383</u>
Total Revenues	<u>7,765</u>	<u>7,009</u>	<u>(756)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils			
Materials and Supplies	50	0	50
Other	<u>1,029</u>	<u>0</u>	<u>1,029</u>
Total - Pupils	<u>1,079</u>	<u>0</u>	<u>1,079</u>
Administration			
Purchased Services	<u>370</u>	<u>265</u>	<u>105</u>
Total - Administration	<u>370</u>	<u>265</u>	<u>105</u>
Fiscal			
Purchased Services	<u>4,775</u>	<u>2,868</u>	<u>1,907</u>
Total - Fiscal	<u>4,775</u>	<u>2,868</u>	<u>1,907</u>
Total - Support Services:	<u>6,224</u>	<u>3,133</u>	<u>3,091</u>
Total Expenditures	<u>6,224</u>	<u>3,133</u>	<u>3,091</u>
Excess of Revenues Over (Under) Expenditures	<u>1,541</u>	<u>3,876</u>	<u>2,335</u>
OTHER FINANCING SOURCES AND USES:			
Transfers Out	<u>(6,776)</u>	<u>(6,776)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>(6,776)</u>	<u>(6,776)</u>	<u>0</u>
Net Change in Fund Balances	(5,235)	(2,900)	2,335
Fund Balance (Deficit) at Beginning of Year	<u>27,757</u>	<u>27,757</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 22,522</u>	<u>\$ 24,857</u>	<u>\$ 2,335</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, 2014

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

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Marketing School Store
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 30,000	\$ 32,899	\$ 2,899
Total Revenues	<u>30,000</u>	<u>32,899</u>	<u>2,899</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Shared Services			
Materials and Supplies	<u>30,000</u>	<u>25,416</u>	<u>4,584</u>
Total - Shared Services	<u>30,000</u>	<u>25,416</u>	<u>4,584</u>
Total - Operation of Non-Instructional/Shared Services:	<u>30,000</u>	<u>25,416</u>	<u>4,584</u>
Total Expenditures	<u>30,000</u>	<u>25,416</u>	<u>4,584</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>7,483</u>	<u>7,483</u>
Net Change in Fund Balances	0	7,483	7,483
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 7,483</u>	<u>\$ 7,483</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 14,800	\$ 6,853	\$ (7,947)
Total Revenues	<u>14,800</u>	<u>6,853</u>	<u>(7,947)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing			
Salaries	66,250	60,412	5,838
Fringe Benefits	41,993	37,766	4,227
Purchased Services	600	568	32
Materials and Supplies	500	371	129
Capital Outlay	<u>400</u>	<u>0</u>	<u>400</u>
Total - Adult/Continuing	<u>109,743</u>	<u>99,117</u>	<u>10,626</u>
Total - Instruction:	<u>109,743</u>	<u>99,117</u>	<u>10,626</u>
Total Expenditures	<u>109,743</u>	<u>99,117</u>	<u>10,626</u>
Excess of Revenues Over (Under) Expenditures	<u>(94,943)</u>	<u>(92,264)</u>	<u>2,679</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>96,000</u>	<u>106,000</u>	<u>10,000</u>
Total Other Financing Sources and Uses	<u>96,000</u>	<u>106,000</u>	<u>10,000</u>
Net Change in Fund Balances	1,057	13,736	12,679
Fund Balance (Deficit) at Beginning of Year	<u>179</u>	<u>179</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,236</u>	<u>\$ 13,915</u>	<u>\$ 12,679</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Gifts and Donations	\$ 16,600	\$ 15,129	\$ (1,471)
Customer Sales and Services	2,000	706	(1,294)
Total Revenues	<u>18,600</u>	<u>15,835</u>	<u>(2,765)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Purchased Services	3,425	1,078	2,347
Materials and Supplies	18,400	11,655	6,745
Capital Outlay	7,400		7,400
Total - Regular	<u>29,225</u>	<u>12,733</u>	<u>16,492</u>
Special			
Materials and Supplies	2,000	0	2,000
Total - Special	<u>2,000</u>	<u>0</u>	<u>2,000</u>
Total - Instruction:	<u>31,225</u>	<u>12,733</u>	<u>18,492</u>
Total Expenditures	<u>31,225</u>	<u>12,733</u>	<u>18,492</u>
Excess of Revenues Over (Under) Expenditures	<u>(12,625)</u>	<u>3,102</u>	<u>15,727</u>
Net Change in Fund Balances	(12,625)	3,102	15,727
Fund Balance (Deficit) at Beginning of Year	45,355	45,355	
Prior Year Encumbrances Appropriated	<u>772</u>	<u>772</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 33,502</u>	<u>\$ 49,229</u>	<u>\$ 15,727</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 4,600	\$ 2,600	\$ (2,000)
Total Revenues	<u>4,600</u>	<u>2,600</u>	<u>(2,000)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Materials and Supplies	3,271	1,628	1,643
Other	<u>9</u>	<u>0</u>	<u>9</u>
Total - Regular	<u>3,280</u>	<u>1,628</u>	<u>1,652</u>
Total - Instruction:	<u>3,280</u>	<u>1,628</u>	<u>1,652</u>
Support Services:			
Instructional Staff			
Purchased Services	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total - Instructional Staff	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Administration			
Materials and Supplies	<u>1,300</u>	<u>636</u>	<u>664</u>
Total - Administration	<u>1,300</u>	<u>636</u>	<u>664</u>
Total - Support Services:	<u>2,300</u>	<u>636</u>	<u>1,664</u>
Total Expenditures	<u>5,580</u>	<u>2,264</u>	<u>3,316</u>
Excess of Revenues Over (Under) Expenditures	<u>(980)</u>	<u>336</u>	<u>1,316</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>500</u>	<u>600</u>	<u>100</u>
Total Other Financing Sources and Uses	<u>500</u>	<u>600</u>	<u>100</u>
Net Change in Fund Balances	(480)	936	1,416
Fund Balance (Deficit) at Beginning of Year	3,274	3,274	
Prior Year Encumbrances Appropriated	<u>28</u>	<u>28</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,822</u>	<u>\$ 4,238</u>	<u>\$ 1,416</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 637,095	\$ 559,041	\$ (78,054)
Customer Sales and Services	800	46	(754)
Total Revenues	<u>637,895</u>	<u>559,087</u>	<u>(78,808)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services			
Salaries	306,740	302,468	4,272
Fringe Benefits	117,260	116,077	1,183
Purchased Services	31,010	29,285	1,725
Materials and Supplies	28,350	25,186	3,164
Capital Outlay	4,000	2,417	1,583
Total - Community Services	<u>487,360</u>	<u>475,433</u>	<u>11,927</u>
Total - Operation of Non-Instructional/Shared Services:	<u>487,360</u>	<u>475,433</u>	<u>11,927</u>
Total Expenditures	<u>487,360</u>	<u>475,433</u>	<u>11,927</u>
Excess of Revenues Over (Under) Expenditures	<u>150,535</u>	<u>83,654</u>	<u>(66,881)</u>
Net Change in Fund Balances	150,535	83,654	(66,881)
Fund Balance (Deficit) at Beginning of Year	457,863	457,863	
Prior Year Encumbrances Appropriated	<u>711</u>	<u>711</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 609,109</u>	<u>\$ 542,228</u>	<u>\$ (66,881)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 65,250	\$ 50,134	\$ (15,116)
Gifts and Donations	500	2,160	1,660
Total Revenues	<u>65,750</u>	<u>52,294</u>	<u>(13,456)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Materials and Supplies	2,000	425	1,575
Other	2,500	2,034	466
Total - Academic Oriented Activities	<u>4,500</u>	<u>2,459</u>	<u>2,041</u>
Sport Oriented Activities			
Salaries	240	240	0
Fringe Benefits	40	40	0
Purchased Services	96,268	86,937	9,331
Materials and Supplies	58,279	57,316	963
Other	20,649	14,292	6,357
Capital Outlay	6,330	6,199	131
Total - Sport Oriented Activities	<u>181,806</u>	<u>165,024</u>	<u>16,782</u>
Total - Extracurricular Activities:	<u>186,306</u>	<u>167,483</u>	<u>18,823</u>
Total Expenditures	<u>186,306</u>	<u>167,483</u>	<u>18,823</u>
Excess of Revenues Over (Under) Expenditures	<u>(120,556)</u>	<u>(115,189)</u>	<u>5,367</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>95,000</u>	<u>115,000</u>	<u>20,000</u>
Total Other Financing Sources and Uses	<u>95,000</u>	<u>115,000</u>	<u>20,000</u>
Net Change in Fund Balances	(25,556)	(189)	25,367
Fund Balance (Deficit) at Beginning of Year	38,165	38,165	
Prior Year Encumbrances Appropriated	<u>1,485</u>	<u>1,485</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 14,094</u>	<u>\$ 39,461</u>	<u>\$ 25,367</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 558,600	\$ 558,600	\$ -
Interest	100	22	(78)
Total Revenues	<u>558,700</u>	<u>558,622</u>	<u>(78)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services			
Salaries	62,496	61,191	1,305
Fringe Benefits	37,333	35,295	2,038
Purchased Services	461,548	450,544	11,004
Materials and Supplies	41,925	39,613	2,312
Capital Outlay	58,150	55,522	2,628
Total - Community Services	<u>661,452</u>	<u>642,165</u>	<u>19,287</u>
Total - Operation of Non-Instructional/Shared Services:	<u>661,452</u>	<u>642,165</u>	<u>19,287</u>
Total Expenditures	<u>661,452</u>	<u>642,165</u>	<u>19,287</u>
Excess of Revenues Over (Under) Expenditures	<u>(102,752)</u>	<u>(83,543)</u>	<u>19,209</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	30,000	30,000	0
Refund of Prior Year Expenditures	172	173	1
Total Other Financing Sources and Uses	<u>30,172</u>	<u>30,173</u>	<u>1</u>
Net Change in Fund Balances	(72,580)	(53,370)	19,210
Fund Balance (Deficit) at Beginning of Year	8	8	
Prior Year Encumbrances Appropriated	<u>72,671</u>	<u>72,671</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 99</u>	<u>\$ 19,309</u>	<u>\$ 19,210</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 9,000	\$ 9,000	\$ -
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>0</u>
EXPENDITURES:			
Current:			
Support Services:			
Central			
Purchased Services	<u>11,700</u>	<u>11,700</u>	<u>0</u>
Total - Central	<u>11,700</u>	<u>11,700</u>	<u>0</u>
Total - Support Services:	<u>11,700</u>	<u>11,700</u>	<u>0</u>
Total Expenditures	<u>11,700</u>	<u>11,700</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,700)</u>	<u>(2,700)</u>	<u>0</u>
Net Change in Fund Balances	(2,700)	(2,700)	
Fund Balance (Deficit) at Beginning of Year	<u>11,700</u>	<u>11,700</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 9,000</u>	<u>\$ 9,000</u>	<u>\$ 9,000</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Grant (RtT)
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 28,824	\$ 28,465	\$ (359)
Total Revenues	<u>28,824</u>	<u>28,465</u>	<u>(359)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Salaries	6,650	6,289	361
Fringe Benefits	1,094	1,042	52
Purchased Services	6,825	6,825	0
Materials and Supplies	1,306	1,306	0
Capital Outlay	<u>3,748</u>	<u>3,748</u>	<u>0</u>
Total - Regular	<u>19,623</u>	<u>19,210</u>	<u>413</u>
Total - Instruction:	<u>19,623</u>	<u>19,210</u>	<u>413</u>
Support Services:			
Instructional Staff			
Purchased Services	<u>9,200</u>	<u>8,850</u>	<u>350</u>
Total - Instructional Staff	<u>9,200</u>	<u>8,850</u>	<u>350</u>
Total - Support Services:	<u>9,200</u>	<u>8,850</u>	<u>350</u>
Total Expenditures	<u>28,823</u>	<u>28,060</u>	<u>763</u>
Excess of Revenues Over (Under) Expenditures	<u>1</u>	<u>405</u>	<u>404</u>
Net Change in Fund Balances	1	405	404
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 405</u>	<u>\$ 404</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 374,873	\$ 370,229	\$ (4,644)
Total Revenues	<u>374,873</u>	<u>370,229</u>	<u>(4,644)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Salaries	40,937	39,382	1,555
Fringe Benefits	<u>6,735</u>	<u>6,530</u>	<u>205</u>
Total - Regular	<u>47,672</u>	<u>45,912</u>	<u>1,760</u>
Special			
Salaries	83,471	83,471	0
Fringe Benefits	32,393	32,393	0
Purchased Services	38,280	38,280	0
Materials and Supplies	<u>8,955</u>	<u>8,955</u>	<u>0</u>
Total - Special	<u>163,099</u>	<u>163,099</u>	<u>0</u>
Total - Instruction:	<u>210,771</u>	<u>209,011</u>	<u>1,760</u>
Support Services:			
Pupils			
Salaries	116,687	116,687	0
Fringe Benefits	<u>23,199</u>	<u>23,199</u>	<u>0</u>
Total - Pupils	<u>139,886</u>	<u>139,886</u>	<u>0</u>
Total - Support Services:	<u>139,886</u>	<u>139,886</u>	<u>0</u>
Operation of Non-Instructional/Shared Services:			
Community Services			
Salaries	8,896	8,896	0
Purchased Services	<u>15,320</u>	<u>15,320</u>	<u>0</u>
Total - Community Services	<u>24,216</u>	<u>24,216</u>	<u>0</u>
Total - Operation of Non-Instructional/Shared Services:	<u>24,216</u>	<u>24,216</u>	<u>0</u>
Total Expenditures	<u>374,873</u>	<u>373,113</u>	<u>1,760</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(2,884)</u>	<u>(2,884)</u>
Net Change in Fund Balances	0	(2,884)	(2,884)
Prior Year Encumbrances Appropriated	4,645	4,645	
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 4,645</u>	<u>\$ 1,761</u>	<u>\$ (2,884)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 15,152	\$ 15,152	\$ -
Total Revenues	<u>15,152</u>	<u>15,152</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	12,647	12,647	0
Fringe Benefits	2,105	2,105	0
Purchased Services	<u>400</u>	<u>400</u>	<u>0</u>
Total - Special	<u>15,152</u>	<u>15,152</u>	<u>0</u>
Total - Instruction:	<u>15,152</u>	<u>15,152</u>	<u>0</u>
Total Expenditures	<u>15,152</u>	<u>15,152</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 131,624	\$ 131,296	\$ (328)
Total Revenues	<u>131,624</u>	<u>131,296</u>	<u>(328)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	100,940	100,044	896
Fringe Benefits	16,538	16,069	469
Materials and Supplies	<u>2,978</u>	<u>2,977</u>	<u>1</u>
Total - Special	<u>120,456</u>	<u>119,090</u>	<u>1,366</u>
Total - Instruction:	<u>120,456</u>	<u>119,090</u>	<u>1,366</u>
Operation of Non-Instructional/Shared Services:			
Community Services			
Purchased Services	<u>11,204</u>	<u>11,204</u>	<u>0</u>
Total - Community Services	<u>11,204</u>	<u>11,204</u>	<u>0</u>
Total - Operation of Non-Instructional/Shared Services:	<u>11,204</u>	<u>11,204</u>	<u>0</u>
Total Expenditures	<u>131,660</u>	<u>130,294</u>	<u>1,366</u>
Excess of Revenues Over (Under) Expenditures	<u>(36)</u>	<u>1,002</u>	<u>1,038</u>
Net Change in Fund Balances	(36)	1,002	1,038
Fund Balance (Deficit) at Beginning of Year	<u>88</u>	<u>88</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 52</u>	<u>\$ 1,090</u>	<u>\$ 1,038</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 10,284	\$ 10,284	\$ -
Total Revenues	<u>10,284</u>	<u>10,284</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	<u>10,284</u>	<u>10,284</u>	<u>0</u>
Total - Special	<u>10,284</u>	<u>10,284</u>	<u>0</u>
Total - Instruction:	<u>10,284</u>	<u>10,284</u>	<u>0</u>
Total Expenditures	<u>10,284</u>	<u>10,284</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-A
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 23,604	\$ 22,874	\$ (730)
Total Revenues	<u>23,604</u>	<u>22,874</u>	<u>(730)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special			
Salaries	18,608	18,608	0
Fringe Benefits	3,096	3,096	0
Total - Special	<u>21,704</u>	<u>21,704</u>	<u>0</u>
Total - Instruction:	<u>21,704</u>	<u>21,704</u>	<u>0</u>
Operation of Non-Instructional/Shared Services:			
Community Services			
Purchased Services	1,900	1,170	730
Total - Community Services	<u>1,900</u>	<u>1,170</u>	<u>730</u>
Total - Operation of Non-Instructional/Shared Services:	<u>1,900</u>	<u>1,170</u>	<u>730</u>
Total Expenditures	<u>23,604</u>	<u>22,874</u>	<u>730</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Health Care Benefits
For the Fiscal Year Ended June 30, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 2,500,000	\$ 2,391,339	\$ (108,661)
Other Revenues	872,000	817,085	(54,915)
Total Operating Revenues	<u>3,372,000</u>	<u>3,208,424</u>	<u>(163,576)</u>
OPERATING EXPENSES:			
Claims	1,004,363	892,264	112,099
Other	<u>3,664,000</u>	<u>2,107,369</u>	<u>1,556,631</u>
Total Operating Expenses	<u>4,668,363</u>	<u>2,999,633</u>	<u>1,668,730</u>
Operating Income (Loss)	<u>(1,296,363)</u>	<u>208,791</u>	<u>1,505,154</u>
Income (Loss) Before Contributions and Transfers	<u>(1,296,363)</u>	<u>208,791</u>	<u>1,505,154</u>
Net Change in Net Position	(1,296,363)	208,791	1,505,154
Net Position(Deficit) at Beginning of Year	1,573,376	1,573,376	
Prior Year Encumbrances Appropriated	<u>11,784</u>	<u>11,784</u>	
Net Position (Deficit) at End of Year	<u>\$ 288,797</u>	<u>\$ 1,793,951</u>	<u>\$ 1,505,154</u>

STATISTICAL

SECTION

Statistical Section

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

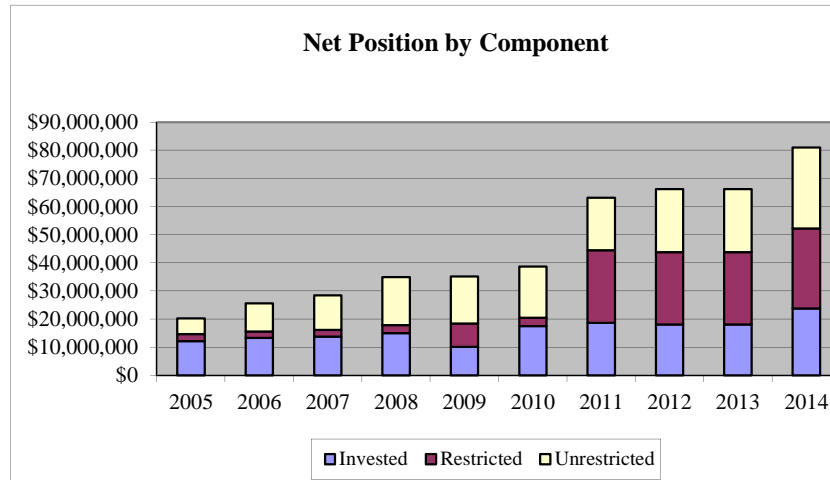
Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	S3 – S9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	S10-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S15 – S19
Economic and Demographic Information This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S20- S21
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S22 – S30

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 and implemented GASB Statement No. 54 in fiscal year 2011; schedules presenting government-wide information include information beginning in that year.

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Beachwood City School District
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Investment in Capital Assets	\$ 10,745,501	\$ 12,150,684	\$ 13,307,244	\$ 13,802,891	\$ 15,016,809	\$ 10,092,016	\$ 17,535,755	\$ 18,670,053	\$ 18,082,152	\$ 23,764,063
Restricted for:										
Debt Services	1,801,050	1,814,506	1,594,417	1,646,024	2,068,977	1,909,169	2,291,287	2,643,964	2,651,163	2,973,570
Capital Outlay	514,338	351,756	337,034	226,134	192,756	5,965,796	218,541	616,102	4,242,814	889,076
Other Purposes	149,446	190,089	236,168	376,555	406,199	373,958	325,704	423,498	668,352	660,011
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	2,556,168	5,569,139	9,945,853	12,249,707	17,066,792	16,700,337	18,205,741	18,737,752	22,323,262	28,860,172
Total Net Position	\$ 15,901,376	\$ 20,211,047	\$ 25,555,589	\$ 28,436,184	\$ 34,886,406	\$ 35,176,149	\$ 38,711,901	\$ 41,226,242	\$ 48,102,616	\$ 57,281,765



Source: District Financial Statements

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Regular Instruction	\$12,503,062	\$12,322,813	\$12,479,099	\$11,817,943	\$11,732,566	\$11,979,156	\$11,629,226	\$11,080,629	\$10,648,385	\$11,054,568
Special Instruction	5,554,774	6,073,357	6,841,655	6,393,564	5,787,279	6,784,298	5,871,895	5,303,469	4,883,454	5,326,130
Vocational Instruction	1,727,730	1,306,835	732,685	1,566,475	1,489,827	1,290,755	1,242,827	869,041	1,083,365	989,488
Adult/Conintuing	106,568	101,993	99,837	172,423	229,767	223,322	172,720	245,490	187,370	182,946
Other Instruction	282,232	267,839	238,069	128,063	225,758	179,790	664,301	701,677	747,592	542,440
Pupils	2,483,137	2,659,540	3,113,676	2,447,124	2,599,282	2,710,272	2,616,865	2,602,066	2,683,123	3,003,113
Instructional Staff	1,948,494	1,383,760	1,120,386	1,229,125	1,115,463	1,169,119	1,012,486	1,013,004	996,497	792,912
Board of Education	446,035	606,698	358,447	562,724	522,649	460,127	356,006	473,970	361,428	392,751
Administration	2,276,927	2,425,348	2,374,984	2,396,922	2,337,526	2,329,151	2,371,399	2,314,305	2,291,977	2,307,273
Fiscal	830,832	789,311	827,047	443,112	1,136,671	514,478	746,614	763,705	821,105	784,491
Business	284,773	418,499	459,488	464,459	493,005	458,069	459,817	506,341	464,096	499,751
Operation and										
Maintenance of Plant	4,465,843	3,481,534	3,676,973	3,435,706	3,340,931	3,716,973	3,720,729	3,724,961	3,553,721	3,474,546
Pupil Transportation	1,881,013	2,011,020	1,756,043	2,394,212	2,100,921	2,059,398	1,993,252	1,905,211	1,795,090	1,787,938
Central	75,288	375,875	700,838	779,644	756,795	704,516	796,909	907,791	891,381	856,973
Non-instructional	1,826,020	1,562,013	1,528,043	1,615,457	1,526,872	1,506,769	929,350	997,432	823,543	739,588
Extracurricular Activities:	909,220	1,224,793	1,237,501	1,001,511	982,846	1,008,747	1,004,529	958,209	885,704	942,705
Debt Service	1,663,812	2,093,321	1,991,584	1,759,116	481,661	541,519	1,162,417	993,752	798,353	863,055
<i>Total Expenses</i>	<i>\$39,265,760</i>	<i>\$39,104,549</i>	<i>\$39,536,355</i>	<i>\$38,607,580</i>	<i>\$36,859,819</i>	<i>\$37,636,459</i>	<i>\$36,751,342</i>	<i>\$35,361,053</i>	<i>\$33,916,184</i>	<i>\$34,540,668</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$173,762	\$198,005	\$198,931	\$262,524	\$282,997	\$426,372	\$261,927	\$433,566	\$331,181	\$336,667
Special Instruction	253,148	1,339,857	882,280	1,016,441	408,532	1,202,361	680,019	1,169,614	1,363,859	1,324,456
Vocational Instruction	599,952	636,639	581,738	810,461	670,516	611,363	805,627	326,213	379,573	335,213
Adult/Conintuing	6,853	10,597	16,141	43,777	208,866	223,322	172,720	203,244	187,370	173,326
Other Instruction	0	489	100	2,166	0	40,114	535,638	510,762	440,985	456,480
Pupils	508,341	774,941	804,828	917,293	821,602	956,469	779,711	618,216	379,618	878,026
Instructional Staff	2,065	2,701	51,699	59,206	70,830	151,967	2,321	2,323	515	2,586
Administration	0	3,574	0	0	6,195	573	320	0	0	15,232
Fiscal	18,882	17,401	9,088	20,410	21,117	6,520	9,519	0	39,238	58,949
Business	971	1,063	2,130	3,178	3,483	9,155	4,965	12,660	2,003	42,313
Operation and										
Maintenance of Plant	311,240	302,878	333,064	324,955	377,779	317,292	275,580	265,814	278,755	250,604
Pupil Transportation	5,033	2,525	2,244	0	7,708	75,245	48,277	59,964	50,308	70,677
Central	0	0	12,000	2,652	26,020	8,157	27,494	39,993	26,035	25,650
Food Service Operations	345,753	362,627	382,012	422,646	448,638	415,824	374,970	374,118	357,553	326,338
Community Services	558,981	633,130	562,874	499,863	504,650	516,995	5,889	3,033	2,382	882
Extracurricular Activities:	52,064	60,329	80,872	46,729	41,905	35,950	35,189	46,028	78,176	86,449

(continued)

Source: District Financial Statements

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating Grants and Contributions:										
Regular Instruction	\$560,713	\$954,217	\$1,101,653	\$549,983	\$562,371	\$543,711	\$665,444	\$606,968	\$611,687	\$106,578
Special Instruction	961,075	419,766	602,671	930,310	644,712	980,032	869,960	772,210	838,165	531,704
Vocational Instructor	495,738	341,849	387,084	471,903	399,322	370,783	280,527	311,804	351,695	349,405
Other Instruction	0	95,243	0	0	0	0	27,626	29,779	0	0
Pupils	162,901	298,176	344,971	225,966	157,696	170,662	222,850	290,804	207,123	331,928
Instructional Staff	149,687	126,642	82,014	71,242	72,793	77,894	12,356	66,675	7,048	50,490
Administration	0	12,726	13,862	0	13,591	7,857	7,857	7,736	7,389	6,505
Business	0	0	0	0	0	0	0	0	0	1,708
Operations	0	63,630	29,705	0	0	0	0	0	0	0
Pupil Transportation	337,890	52,733	30,671	470,815	543,734	485,476	491,752	482,910	499,063	487,841
Central	0	7,200	9,000	16,375	16,432	52,868	35,660	46,516	24,936	36,715
Food Service Operatic	57,098	81,350	68,588	68,349	63,411	49,691	38,608	34,751	34,857	29,677
Community Services	597,713	572,830	519,955	563,069	252,504	289,849	221,806	262,143	239,028	230,662
Extracurricular Activi	0	0	0	0	0	0	1,000	0	250	6,400
Capital Grants and Contributions:										
Vocational Instructor	0	0	0	0	0	0	0	0	1,097	122
Pupil Transportation	0	0	0	0	0	6,992	7,781	11,466	6,261	6,910
Central	0	0	0	0	0	0	9,184	0	15,000	0
Total Program Revenue	6,159,860	7,373,118	7,110,175	7,800,313	6,627,404	6,629,414	8,033,494	6,912,577	6,989,310	6,761,150
Net Expenses	(\$33,105,900)	(\$31,731,431)	(\$32,426,180)	(\$30,807,267)	(\$30,232,415)	(\$31,007,045)	(\$28,717,848)	(\$28,448,476)	(\$26,926,874)	(\$27,779,518)

(continued)

Beachwood City School District
 Changes in Net Position of Governmental Activities
 Last Ten Fiscal Years
 (accrual basis of accounting)

General Revenues										
Grants and										
Entitlements										
Not Restricted to Specif	5,687,462	5,647,472	6,385,851	6,845,143	6,141,675	5,152,707	4,170,054	3,168,842	2,772,082	3,916,894
Investment Earnings	176,869	73,323	221,860	332,985	241,009	465,682	648,569	809,864	328,084	139,814
Miscellaneous	2,712,099	5,436,826	298,808	250,458	257,895	40,154	177,021	76,080	83,182	32,150
Property Taxes	33,708,619	27,450,186	28,034,000	26,914,433	23,881,579	30,394,644	27,723,716	29,661,499	28,281,357	25,593,578
<i>Total General Revenues</i>	<u>42,285,049</u>	<u>38,607,807</u>	<u>34,940,519</u>	<u>34,343,019</u>	<u>30,522,158</u>	<u>36,053,187</u>	<u>32,719,360</u>	<u>33,716,285</u>	<u>31,464,705</u>	<u>29,682,436</u>
<i>Change in Net Assets</i>	<u>\$9,179,149</u>	<u>\$6,876,376</u>	<u>\$2,514,339</u>	<u>\$3,535,752</u>	<u>\$289,743</u>	<u>\$5,044,132</u>	<u>\$4,001,512</u>	<u>\$5,267,809</u>	<u>\$4,537,831</u>	<u>\$1,902,918</u>

Source: District Financial Statements

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<i>General Fund</i>				
Nonspendable	91,882	\$81,213	\$77,423	\$78,834
Restricted	134,873	134,873	134,873	142,715
Committed	227,580	245,081	312,464	466,442
Assigned	1,858,365	0	2,412,549	1,170,307
Unassigned	26,643,938	22,231,482	16,014,196	16,816,278
<i>Total General Fund</i>	<u>28,956,638</u>	<u>22,692,649</u>	<u>18,951,505</u>	<u>18,674,576</u>
<i>All Other Governmental Funds</i>				
Nonspendable	7,393	7,516	8,712	4,891
Restricted	4,486,583	4,719,857	4,691,417	30,162,866
Committed	278,044	3,113,215	16,807,535	6,097,755
Unassigned	(16,305)	(1,004)	(7,428)	0
<i>Total All Other Governmental Funds</i>	<u>4,755,715</u>	<u>7,839,584</u>	<u>21,500,236</u>	<u>36,265,512</u>
<i>Total Governmental Funds</i>	<u><u>\$33,712,353</u></u>	<u><u>\$30,532,233</u></u>	<u><u>\$40,451,741</u></u>	<u><u>\$54,940,088</u></u>

Note: The School District implemented GASB 54 in 2011.

Source: District Financial Statements

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

	2014	2013	2012	2011	2010
General Revenues					
Property and Other Local Taxes	\$33,817,710	\$27,846,976	\$28,034,000	\$26,735,219	\$23,720,129
Intergovernmental	9,010,277	8,673,834	9,576,025	10,213,155	8,868,241
Interest	176,914	73,489	221,951	333,272	241,202
Tuition and Fees/Rent	2,258,470	3,743,392	3,219,070	3,358,651	2,576,047
Miscellaneous Revenue from Local Sources	3,290,629	6,040,024	999,648	1,323,821	1,582,493
<i>Total Revenues</i>	<u>\$48,554,000</u>	<u>\$46,377,715</u>	<u>\$42,050,694</u>	<u>\$41,964,118</u>	<u>\$36,988,112</u>
Expenditures					
Instruction	\$19,818,267	\$19,751,303	\$19,532,432	\$19,158,837	\$18,741,726
Support Services:					
Pupil	2,491,157	2,696,076	3,046,113	2,488,406	2,638,931
Instructional Staff	2,005,568	1,338,612	1,054,135	1,245,680	1,109,864
Board of Education	424,218	585,644	337,438	543,728	502,689
Administration	2,265,053	2,397,235	2,367,983	2,357,983	2,295,127
Fiscal	1,041,887	873,283	1,106,852	965,920	982,071
Business	288,951	415,861	479,569	456,991	485,105
Operation and Maintenance of Plant	3,409,790	3,023,997	2,948,024	3,228,836	3,310,293
Pupil Transportation	1,906,237	2,030,773	1,665,516	2,256,616	2,189,730
Central	244,583	918,231	1,124,218	1,317,613	742,267
Non-instructional	1,831,026	1,500,237	1,488,316	1,584,575	1,492,319
Extracurricular Activities	1,074,734	1,215,381	1,217,815	968,684	956,455
Capital Outlay	4,279,834	15,314,306	16,076,522	3,304,901	397,220
Debt Service:					
Principal	2,515,000	2,440,000	2,230,000	2,060,000	1,450,000
Interest	2,146,160	2,013,447	2,036,195	2,092,818	645,190
<i>Total Expenditures</i>	<u>45,742,465</u>	<u>56,514,386</u>	<u>56,711,128</u>	<u>44,031,588</u>	<u>37,938,987</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,811,535</u>	<u>(10,136,671)</u>	<u>(14,660,434)</u>	<u>(2,067,470)</u>	<u>(950,875)</u>
Other Financing Sources/(Uses)					
Operating Transfers In	272,600	331,600	233,540	243,024	240,000
General Obligation Bonds Issued	16,569,966	3,325,175	0	30,319,567	0
Proceed from Sale of Bonds	0	0	0	0	5,650,000
Proceeds from Sale of Fixed Assets	0	0	0	0	0
Inception of Capital Lease	291,635	157,750	172,087	267,639	
Other Financing Sources	246,984	0	0	0	0
Operating Transfers Out	(272,600)	(331,600)	(233,540)	(243,024)	(240,000)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	0
Refunding of Bonds	(16,740,000)	(3,265,762)	0	0	0
	368,585	217,163	172,087	30,587,206	5,650,000
<i>Net Changes in Fund Balances</i>	<u>\$3,180,120</u>	<u>(\$9,919,508)</u>	<u>(\$14,488,347)</u>	<u>\$28,519,736</u>	<u>\$4,699,125</u>
Debt Services as a percentage of Noncapital expenditures	11.35%	11.80%	10.04%	9.95%	5.62%

Source: District Financial Statements

2009	2008	2007	2006	2005
\$30,489,433	\$28,225,851	\$30,467,859	\$27,807,938	\$25,307,928
8,188,859	7,042,005	6,083,421	5,597,211	6,093,461
467,348	749,468	722,948	332,199	140,974
3,884,672	2,936,352	2,793,748	3,015,130	3,369,859
<u>1,151,158</u>	<u>1,180,397</u>	<u>1,425,357</u>	<u>988,963</u>	<u>1,003,425</u>
<u>\$44,181,470</u>	<u>\$40,134,073</u>	<u>\$41,493,333</u>	<u>\$37,741,441</u>	<u>\$35,915,647</u>
\$19,390,201	\$18,409,343	\$17,132,962	\$16,731,136	\$17,300,556
2,683,603	2,597,084	2,610,057	2,623,983	3,074,384
1,090,565	930,332	959,487	940,566	788,195
439,485	346,279	451,140	338,636	369,854
2,274,608	2,334,626	2,340,665	2,367,189	2,291,300
944,581	870,664	853,796	808,530	769,006
450,040	475,683	499,306	485,869	479,302
3,525,969	3,638,095	3,697,130	3,482,866	3,415,354
2,100,816	1,927,821	1,958,588	1,785,440	1,821,183
1,013,722	1,107,131	1,397,285	1,239,852	1,077,752
1,489,470	885,503	937,992	765,582	694,863
976,735	968,945	922,936	850,200	911,114
832,691	622,003	508,859	297,650	400,279
1,390,000	1,094,984	1,859,998	2,050,000	2,014,960
<u>593,478</u>	<u>970,500</u>	<u>1,009,662</u>	<u>814,303</u>	<u>878,965</u>
<u>39,195,964</u>	<u>37,178,993</u>	<u>37,139,863</u>	<u>35,581,802</u>	<u>36,287,067</u>
<u>4,985,506</u>	<u>2,955,080</u>	<u>4,353,470</u>	<u>2,159,639</u>	<u>(371,420)</u>
396,000	350,000	315,000	283,214	205,500
0	0	0	0	0
0	6,244,997	0	0	0
0	0	18,622	11,325	41,632
124,373	0	413,152	203,684	268,329
0	474,279	0	0	0
(396,000)	(350,000)	(315,000)	(283,214)	(205,500)
0	0	0	0	0
0	(6,602,665)	0	0	0
<u>124,373</u>	<u>116,611</u>	<u>431,774</u>	<u>215,009</u>	<u>309,961</u>
<u>\$5,109,879</u>	<u>\$3,071,691</u>	<u>\$4,785,244</u>	<u>\$2,374,648</u>	<u>(\$61,459)</u>
5.25%	5.74%	7.83%	8.12%	8.06%

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

Collection Year	Real Estate		Public Utility Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2014	\$ 696,761,180	\$ 1,990,746,229	\$ 12,248,200	\$ 13,918,409	\$ 709,009,380	\$ 2,004,664,638	86.40
2013	701,730,150	2,004,943,286	10,998,710	12,498,534	712,728,860	2,017,441,820	86.40
2012	699,199,670	1,997,713,343	10,143,050	11,526,193	709,342,720	2,009,239,536	86.40
2011	709,770,470	2,027,915,629	9,915,590	11,267,715	719,686,060	2,039,183,344	86.40
2010	713,176,220	2,037,646,343	9,694,520	11,016,500	722,870,740	2,048,662,843	83.90
2009	734,787,970	2,099,394,200	24,347,999	243,873,264	759,135,969	2,343,267,464	83.90
2008	737,297,970	2,106,565,629	38,242,896	245,831,783	775,540,866	2,352,397,412	82.30
2007	732,702,280	2,093,435,086	53,770,556	233,376,196	786,472,836	2,326,811,282	82.30
2006	679,670,070	1,941,914,486	64,658,652	237,250,537	744,328,722	2,179,165,023	83.50
2005	672,204,090	1,920,583,114	67,271,738	245,073,166	739,475,828	2,165,656,280	77.60

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 35 percent for public utility property.

Personal Property phased out ended collection year 2009.

Source: Cuyhaoga County Budget Commission

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

Tax Year/ Collection Year	Direct	Overlapping		Total Levy	Debt Service Included in Total Levy		
	School	County	City		School	County	Total
	Levy	Levy	Levy				
2013/2014	\$ 86.40	\$ 22.53	\$ 4.00	\$ 112.93	\$ 4.40	\$ 0.85	\$ 5.25
2012/2013	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2011/2012	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2010/2011	86.40	20.90	4.00	111.30	4.40	1.14	5.54
2009/2010	83.90	20.60	4.00	108.50	1.90	0.82	2.72
2008/2009	83.90	20.60	4.00	108.50	1.90	1.01	2.91
2007/2008	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98

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

Property Tax Levies and Collections
Real and Personal Property Taxes (1)
Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
2012/2013	\$32,713,108	\$15,059,270	\$47,772,378	\$30,120,713	92.08%	\$450,863	\$30,571,576	93.5%
2011/2012	32,715,403	12,492,683	45,208,086	29,975,093	91.62%	826,730	30,801,823	94.2%
2010/2011	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2009/2010	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2008/2009	31,001,148	7,953,004	38,954,152	28,262,113	91.16%	704,361	28,966,474	93.4%
2007/2008	30,850,329	6,565,654	37,415,983	28,112,109	91.12%	1,064,838	29,176,947	94.6%
2006/2007	32,310,572	5,386,849	37,697,421	30,024,676	92.93%	1,017,048	31,041,724	96.1%
2005/2006	33,716,047	3,971,944	37,687,991	31,294,524	92.82%	811,612	32,106,136	95.2%
2004/2005	30,003,789	2,909,970	32,913,759	27,975,506	93.24%	680,095	28,655,601	95.5%
2003/2004	29,929,660	2,286,883	32,216,543	27,572,370	92.12%	651,122	28,223,492	94.3%

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, 2013 and December 31, 2004

December 31, 2013			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$65,324,350	18.05%
Hamptons Apartment	Apartments	12,308,420	3.40%
Village Green of Beachwood	Condominiums	11,358,550	3.14%
Developers Diversified Realty	Realty	10,416,880	2.88%
Beachwood Place Limited	Retail	8,927,350	2.47%
Commerce Park	Office Buildings	8,661,780	2.39%
Four Seasons Apartments	Apartment Complex	7,780,090	2.15%
Signature Square	Office buildings	6,193,580	1.71%
Enterprise Place, LLC	Office buildings	6,154,770	1.70%
Lake Point Office Park, LLC	Office buildings	5,668,890	1.57%
		<u>\$142,794,660</u>	<u>39.45%</u>
Total Commercial Valuation		<u>\$361,985,610</u>	

December 31, 2004			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$44,489,830	12.98%
Bracebridge	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 Greens	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>	

Source: Cuyahoga County Auditor

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2013 and December 31, 2004

		December 31, 2013	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$10,915,120	89.12%
Total		<u>\$10,915,120</u>	<u>89.12%</u>
Total Public Utility Valuation		<u>\$12,248,200</u>	

		December 31, 2004	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$5,099,400	34.54%
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 Public Utility Valuation		<u>\$14,763,570</u>	

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

Beachwood City School District

All Outstanding Debt

Last Ten Years

<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Notes Outstanding</u>	<u>Leases</u>	<u>Total</u>	<u>Total Debt/Capita*</u>	<u>(1) Debt Outstanding % Of Personal Income</u>
2014	\$35,202,575	\$3,440,000	\$244,826	\$38,887,401	\$3,253	6.8%
2013	37,567,973	3,995,000	103,847	41,666,820	3,486	7.3%
2012	39,812,758	4,550,000	202,643	44,565,401	3,728	7.8%
2011	40,724,998	5,105,000	178,426	46,008,424	3,849	8.0%
2010	11,479,998	6,410,000	41,053	17,931,051	1,471	8.2%
2009	12,209,998	1,480,000	81,096	13,771,094	1,130	2.3%
2008	12,914,998	2,165,000	137,520	15,217,518	1,249	2.5%
2007	13,359,984	2,815,000	334,124	16,509,108	1,355	3.1%
2006	14,599,982	3,435,000	216,448	18,251,430	1,498	2.7%
2005	16,060,022	4,025,000	388,021	20,473,043	1,680	3.0%

* Population 11,953 per US census, 2010-2013, 12,186 2004-2009

(1) Information on Personal Income can be found on S-20.

Source: Beachwood City Schools

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2013

<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	\$35,202,575	100.00%	\$35,202,575
<i>Overlapping Debt:</i>			
Cuyahoga County	314,245,000	2.56%	8,044,915
Regional Transit Authority	116,450,000	2.56%	2,981,210
City of Beachwood	22,796,249	99.44%	22,669,365
City of Pepper Pike	<u>6,512,064</u>	0.56%	<u>36,246</u>
Total Overlapping Debt	<u>460,003,313</u>		<u>33,731,736</u>
Total Debt	<u><u>\$495,205,888</u></u>		<u><u>\$68,934,311</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision by the total assessed valuation, which includes all overlapping valuation. The valuations used were for the 2013 collection year.

Beachwood City School District
Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years

Year	Gross General Bonded Debt	Less Bond Retirement Fund	Net General Bonded Debt	Assessed Value	Population (1)	Ratio of Net Debt to Assessed Value	Net General Bonded Debt Per Capita
2014	\$35,202,575	\$2,954,498	\$32,248,077	\$709,009,380	11,953	4.55%	\$2,698
2013	37,567,973	2,620,960	34,947,013	712,728,860	11,953	4.90%	2,924
2012	39,812,758	2,571,283	37,241,475	709,342,720	11,953	5.25%	3,116
2011	40,724,998	2,218,606	38,506,392	719,686,060	11,953	5.35%	3,221
2010	11,479,998	1,884,167	9,595,831	722,870,740	12,186	1.33%	787
2009	12,209,998	2,052,047	10,157,951	759,135,969	12,186	1.34%	834
2008	12,914,998	1,626,431	11,288,567	775,540,866	12,186	1.46%	926
2007	13,359,984	1,554,189	11,805,795	786,472,836	12,186	1.50%	969
2006	14,599,982	1,738,191	12,861,791	744,328,722	12,186	1.73%	1,055
2005	16,060,022	1,710,750	14,349,272	739,475,828	12,186	1.94%	1,178

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

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assessed Valuation	<u>\$709,009,380</u>	<u>\$712,728,860</u>	<u>\$709,342,720</u>	<u>\$719,686,060</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$63,810,844	\$64,145,597	\$63,840,845	\$64,771,745
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	35,202,575	37,567,973	39,049,998	40,724,998
Less Bond Retirement Fund	2,954,498	2,620,960	2,571,283	2,218,606
Net General Bonded Debt	32,248,077	34,947,013	36,478,715	38,506,392
Voted Debt Margin	<u>\$28,608,269</u>	<u>\$26,577,624</u>	<u>\$24,790,847</u>	<u>\$24,046,747</u>
Ratio of Legal Debt Margin to Assessed Values	4.55%	4.90%	5.14%	5.35%
Bonded Debt Limit - .1% of Assessed Value (1)	\$709,009	\$712,729	\$709,343	\$719,686
Unvoted Debt Margin	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</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 .

2010	2009	2008	2007	2006	2005
<u>\$722,870,740</u>	<u>\$759,135,969</u>	<u>\$775,540,866</u>	<u>\$786,472,836</u>	<u>\$744,328,722</u>	<u>\$739,475,828</u>
\$65,058,367	\$68,322,237	\$69,798,678	\$70,782,555	\$66,989,585	\$66,552,825
11,479,998	12,209,998	12,914,998	13,359,984	14,599,982	16,060,022
1,884,167	2,052,047	1,626,431	1,554,189	1,738,191	1,710,750
9,595,831	10,157,951	11,288,567	11,805,795	12,861,791	14,349,272
<u>\$53,578,369</u>	<u>\$56,112,239</u>	<u>\$56,883,680</u>	<u>\$57,422,571</u>	<u>\$52,389,603</u>	<u>\$50,492,803</u>
1.33%	1.34%	1.46%	1.50%	1.73%	1.94%
\$722,871	\$759,136	\$775,541	\$786,473	\$744,329	\$739,476
<u>\$722,871</u>	<u>\$759,136</u>	<u>\$775,541</u>	<u>\$786,473</u>	<u>\$744,329</u>	<u>\$739,476</u>

Beachwood City School District
Demographic and Economic Statistics
Last Ten Years

Year (1)	Population (2)	Average Federal Adjusted Gross Income (3)	Median Ohio Adjusted Gross Income (3)	Total Personal Income (4)	Per Capita Personal Income (5)	Debt as a % of Personal Income (6)	Cuyahoga County Unemployment Rate (7)
2012	11,953	\$125,927	\$54,620	\$573,863,530	\$48,010	6.1%	7.2%
2011	11,953	118,809	52,448	573,863,530	48,010	6.5	8.0
2010	11,953	112,354	50,612	573,863,530	48,010	8.3	8.6
2009	12,186	101,351	55,654	493,642,674	40,509	8.2	9.2
2008	12,186	114,266	53,899	493,642,674	40,509	2.3	7.1
2007	12,186	136,606	51,742	493,642,674	40,509	2.5	6.1
2006	12,186	122,152	48,933	493,642,674	40,509	3.1	5.5
2005	12,186	129,930	45,753	493,642,674	40,509	2.7	6.1
2004	12,186	106,109	46,338	493,642,674	40,509	3.0	6.2
2003	12,186	100,111	43,738	493,642,674	40,509	3.3	6.2

Source:

(1) 2012 latest Information available

(2) Federal Census

(3) Ohio Department of Taxation

(4) Per capita personal income multiplied by population

(5) U.S. Census

(6) Gross bonded debt divided by total personal income

(7) Federal Reserve Bank of St. Louis

Beachwood City School District
Principal Employers
December 31, 2012 and December 31, 2005*

Employer	Number of Employees	Percentage of Total
Cleveland Clinic Foundation	1,355	5.43%
Menorah Park Center	1,010	4.05
Nordstrom	747	2.99
Maxim Helathcare Services	664	2.66
Beachwood Board of Education	577 **	2.31
Montefiore Home	543	2.18
Developers Diversified	521	2.09
City of Beachwood	482	1.93
Tremco	250	1.00
Aleris Ohio Management	239	0.96
Total	<u>6,388</u>	<u>25.61%</u>
Total employment within the School District	<u>24,943</u>	

** Includes seasonal, substitutes and casual labor

December 31, 2005*

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

Source: Regional Income Tax Agency and City of Beachwood

* Information prior to 2005 is not available

2012 latest information available

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

	2014	2013	2012	2011	2010	2009	2008***	2007	2006
Fairmount Elementary School									
Constructed in 1998									
Total Building Square Footage	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987
* Enrollment Grades PreK	75	79	74	67	70	84	76	84	96
Student Capacity	220	220	220	220	220	220	220	220	220
Regular Instruction Classrooms	8	8	8	8	8	8	8	8	8
Regular Instruction Teachers	3.21	2.88	2	2	3	3	3	7	7
Special Instruction Classrooms	2	2	2	3	3	3	3	3	3
Special Instruction Teachers	1	1	1	1	1.68	1.75	1.75	3	2.5
% of students who receive free/reduced lunch	0	0	0	0	0.00**	0.00**	0.00**	0.00**	6.32%
* Includes special ed Pre k and preschool students									
** Lunch not served at Fairmount									
Bryden Elementary School									
Constructed in 1958									
Additions in 1991 and 2002									
Total Building Square Footage	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289
Enrollment Grades K -2	233	260	276	303	307	274	248	288	278
Student Capacity	510	510	510	510	510	510	510	510	510
Regular Instruction Classrooms	13	13	13	13	13	13	13	13	13
Regular Instruction Teachers	17.37	18.4	17.4	16.9	18	19	18	13	13
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	3	4	4.2	4.2	5.00	4.38	6.53	3	3
% of students who receive free/reduced lunch	9.01%	7.30%	13.76%	12.21%	11.31%	11.31%	8.20%	7.12%	6.86%
Hilltop Elementary School									
Constructed in 1957									
Addition in 2002									
Total Building Square Footage	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200
Enrollment Grades 3-5	325	361	321	294	284	312	295	289	302
Student Capacity	731	731	731	731	731	731	731	731	731
Regular Instruction Classrooms	16	16	16	16	16	16	16	16	16
Regular Instruction Teachers	2088	19.98	17.3	16.38	20.56	25	20	14	16
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	8	7	6.2	8.8	9.4	6.42	8	4	4
% of students who receive free/reduced lunch	14.15%	12.74%	11.21%	9.52%	10.09%	10.09%	6.31%	7.17%	6.99%
Beachwood Middle School									
Constructed in 2003									
Total Building Square Footage	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Enrollment Grades 6 - 8	311	318	358	336	320	288	317	271	253
Student Capacity	560	560	560	560	560	560	560	560	560
Regular Instruction Classrooms	27	27	27	27	27	27	27	27	27
Regular Instruction Teachers	22.3	21.4	21.58	21.58	21.2	22	22	18	18
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	5.2	5	5.8	7	6	4.7	7	2	2
% of students who receive free/reduced lunch	10.28%	12.26%	11.45%	14.88%	10.73%	10.73%	6.01%	4.93%	4.94%
Beachwood High School									
Constructed in 1958									
Additions in 2002 and 2003, 2013									
Total Building Square Footage	256,113	208,509	208,509	208,509	208,509	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12	635	627	650	692	667	669	669	644	647
Student Capacity	1350	1180	1180	1180	1,180	1,180	1,180	1,180	1,180
Regular Instruction Classrooms	45	40	40	40	40	40	40	40	40
Regular Instruction Teachers	41.8	42.73	41.185	42.7	40	45	45	46	45
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	7	7	8	8	8	8	9.5	7	7
% of students who receive free/reduced lunch	12.12%	11.64%	10%	8.67%	5.30%	5.30%	3.08%	3.72%	4.93%

(1) Information not available prior to 2006

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

Beachwood City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2014	\$32,203,840	1,414	\$22,775	9.01%
2013	31,275,641	1,497	20,892	2.49%
2012	31,312,965	1,536	20,384	1.42%
2011	31,194,471	1,552	20,100	-0.29%
2010	30,722,067	1,524	20,159	-4.54%
2009	31,487,746	1,491	21,119	4.89%
2008	29,678,446	1,474	20,135	6.26%
2007	28,743,982	1,517	18,948	6.18%
2006	27,071,093	1,517	17,845	0.13%
2005	27,462,681	1,541	17,821	-3.76%

Source: School District Financial Records

(1) Excludes other financing uses

(2) Excludes preschool enrollment

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

Fiscal Year	Beachwood Attendance Rate	State Average	Beachwood 4 year Graduation Rate	State Average
2014	96.3%	94.2%	* 95.9%	81.3%
2013	>95	94.2	95.7	81.3
2012	96.3	93.0	92.6	90.0
2011	96.2	93.0	100.0	90.0
2010	95.9	94.3	97.1	83.0
2009	95.6	94.3	98.5	84.6
2008	95.7	94.2	97.7	86.9
2007	95.0	94.1	97.1	86.1
2006	96.1	94.1	99.3	86.2
2005	96.2	94.3	97.9	85.9

Source: Ohio Department of Education Local Report Cards

* Graduation rates have new calculation rate in 2012

Beachwood City School District
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Regular Instruction										
Preschool Classroom Teachers	3.21	2.88	2.42	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Preschool Aides	4.14	4.60	3.61	3.36	2.32	3.43	3.92	2.53	2.46	3.13
Preschool After Care Instructor	-	-	-	-	-	-	0.00	0.80	0.80	0.80
Elementary Classroom Teachers	32.97	32.47	30.47	31.47	29.00	30.47	28.47	33.47	34.07	37.47
Instructional Assistants	-	-	-	-	-	-	1.80	2.07	3.26	3.56
Art/Music/PE/Technology K-12	17.18	17.18	18.16	18.16	18.66	19.66	19.67	18.38	18.38	20.90
HS/MS Classroom Teachers	48.30	47.63	46.64	46.70	49.07	47.10	48.05	43.10	42.00	44.90
Special Instruction										
Preschool Special Ed.	1.00	1.00	1.00	1.00	1.68	1.75	1.75	1.75	1.67	1.67
ESL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.60
Language Delayed/Cognitive Disabiliti	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.45	3.20	2.33
Deaf/Hard of Hearing	4.00	4.00	4.50	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Intervention Specialists	13.00	13.00	14.00	14.00	14.00	14.00	13.50	13.50	11.40	14.40
Special Ed Assistants	34.57	34.97	36.74	33.15	34.05	35.00	36.80	33.40	31.50	33.50
Gifted Education Teachers	2.27	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Vocational Instruction										
High School Classroom Teachers	6.00	6.00	6.50	7.50	7.00	7.00	5.25	5.00	5.00	5.00
Pupil Support Services										
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	6.00	7.00	5.80	5.80	6.00
Librarians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	3.00	3.00	2.50	3.00	3.00	2.50	3.50
Psychologists	3.00	3.00	3.00	3.00	2.50	3.00	3.00	3.00	3.00	3.50
Audiologist and Speech & Lang Pathol	4.60	4.60	4.60	4.60	4.60	5.20	5.20	5.20	5.20	5.80
Nurses	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.42	2.30	2.14
Educational Interpreters	8.42	8.50	9.36	10.00	10.00	10.00	10.34	11.60	12.00	17.00
Occupational Therapist	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.80	0.80	0.80
Tutors	4.01	3.41	4.53	2.58	2.32	5.80	3.71	3.11	4.61	1.58
Administrators/Supervisors										
Central Office	6.00	6.00	3.00	4.00	4.00	4.00	4.00	4.50	4.00	4.00
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50	3.00	4.00
MiddleSchool/High School	4.00	4.00	4.00	4.00	3.50	5.00	5.00	4.00	4.00	3.00
Supervisors	4.00	3.00	5.00	4.00	5.00	5.00	6.00	7.00	7.00	9.00
Community Education Coordinator	-	-	0.00	0.00	0.63	0.63	0.63	0.63	0.63	0.63
Administrative Support										
Administrative/Office Assistants	15.00	15.00	15.00	16.00	16.53	16.50	17.00	18.38	18.38	15.00
Operation of Plant										
Cleaners	9.45	10.40	11.00	11.00	11.00	11.00	11.00	10.75	10.75	12.00
Custodians	10.00	9.00	9.89	9.00	9.00	9.00	10.00	10.00	10.00	11.00
Maintenance/Grounds	4.00	4.00	3.00	3.00	4.00	5.00	5.00	5.00	5.00	6.00
Pupil Transportation										
Bus Drivers	19.86	18.87	14.93	18.15	18.15	20.26	21.71	23.14	21.62	24.07
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Treasurer's Office Staff										
	5.00	5.00	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.00
Technology										
	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Food Service Program										
High School Cooks	-	-	-	-	-	-	3.00	3.00	3.00	3.00
Food Service Worker	-	-	-	-	-	-	6.48	5.66	5.26	5.71
Lunch Aides	-	-	-	-	-	-	0.00	0.00	0.00	18.00
Totals	289.98	288.51	286.95	287.27	289.71	302.00	314.98	315.14	308.29	350.99

Source: District records

Beachwood City School District
 Full-Time Equivalent School District Teachers by Education
 Last Ten Fiscal Years

Degree	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Bachelor's Degree	9	14	13	13	12	12	12	16	11	11
Bachelor+ 12	5	3	7	3	3	2	9	5	6	8
Bachelor + 24	6	7	7	8	6	9	11	11	17	15
Bachelor + 30	4	2	2	2	2	2	2	3	4	4
Master's Degree	45	43	40	40	50	48	48	84	79	79
Master + 12	24	24	25	29	25	28	31	15	14	14
Master + 24	21	19	25	22	20	18	19	9	10	10
Master + 36	26	25	21	20	21	23	24	10	9	9
Master + 60	<u>20</u>	<u>23</u>	<u>20</u>	<u>23</u>	<u>19</u>	<u>20</u>	<u>19</u>	<u>14</u>	<u>12</u>	<u>12</u>
Total	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>158</u></u>	<u><u>162</u></u>	<u><u>175</u></u>	<u><u>167</u></u>	<u><u>162</u></u>	<u><u>162</u></u>

Source: School District Records

Beachwood City School District
 Enrollment Statistics
 Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School/ High School	Total
2014*	593	933	1,526
2013*	638	946	1,584
2012*	616	1,008	1,624
2011*	621	1,028	1,649
2010*	617	987	1,604
2009*	614	957	1,571
2008*	559	986	1,545
2007	661	915	1,576
2006	676	900	1,576
2005	725	880	1,605

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

Source: Beachwood City Schools EMIS records

Beachwood City School District
 ACT Composite Scores
 Last Ten School Years

School Year	Number of Test Takers	Number of Seniors	Beachwood Composite	Ohio Composite	National Composite
2014	115	132	26	22	21
2013	106	121	26.3	21.8	20.9
2012	122	138	25.3	21.8	21.1
2011	131	160	26.0	21.8	21.0
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1
2008	226	131	25.0	21.7	21.1
2007	200	115	24.3	21.6	21.2
2006	197	116	23.6	21.5	21.1
2005	197	97	24.5	21.4	20.9

Source: High School Guidance Department
 Beachwood City School District

Beachwood City School District
 SAT Composite Scores
 Last Ten School Years

School Year	Number of Senior Test Takers	Beachwood Reading/Verbal	Ohio Reading/Verbal	National Reading/Verbal	Beachwood Math	Ohio Math	National Math	Beachwood Writing	Ohio Writing	National Writing
2014	36	613	555	497	643	562	513	608	535	487
2013	38	653	548	496	653	556	514	621	536	488
2012	60	602	593	496	631	552	514	594	525	488
2011	67	563	539	497	568	545	514	553	522	489
2010	64	616	538	501	625	548	516	594	522	492
2009	70	573	537	501	606	546	515	584	523	493
2008	68	619	534	502	635	544	515	629	521	494
2007	70	587	536	502	603	542	515	583	522	494
2006	76	557	535	503	573	544	518	573	521	497
2005	96	575	539	508	604	543	520	n/a	n/a	n/a

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
2013*	10.9	n/a
2012*	10.9	n/a
2011	11.9	n/a
2010	11.4	n/a
2009	13.4	n/a
2008	13.4	18.6
2007	14.3	19.6
2006	14.1	18.6
2005	12.3	18.5
2004	12.3	18.5

Source: Ohio Department of Education, Local Report Card 2004-2008
2009-2013 Source Cupp Report
* Latest information available



Dave Yost • Auditor of State

BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 13, 2014**