

**Mary Taylor, CPA**  
Auditor of State



BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures .....	2
Independent Accountants' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Required By <i>Government Auditing Standards</i> .....	3
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	5
Schedule of Findings.....	7

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**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	N/A	10.550	\$0	\$17,709	\$0	\$17,709
National School Lunch Program	LLP4-2007	10.555	33,682	0	33,682	0
Total U.S. Department of Agriculture			33,682	17,709	33,682	17,709
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	6B-SF-06	84.027	(719)	0	24,489	0
Special Education: Grants to States	6B-SF-07	84.027	368,371	0	363,925	0
Special Education: Preschool Grant	PG-S1-07	84.173	13,357	0	13,357	0
Total Special Education Cluster			381,009	0	401,771	0
Title I - Grants to Local Educational Agencies	C1-S1-06	84.010	0	0	3,844	0
Title I - Grants to Local Educational Agencies	C1-S1-07	84.010	63,369	0	58,014	0
Total Title I - Grants to Local Educational Agencies			63,369	0	61,858	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-06	84.186	(119)	0	921	0
Safe and Drug-Free Schools and Communities: State Grants	DR-S1-07	84.186	3,883	0	3,400	0
Total Safe and Drug-Free Schools Grant			3,764	0	4,321	0
Innovative Education Program Strategies Grant	C2-S1-06	84.298	0	0	44	0
Innovative Education Program Strategies Grant	C2-S1-07	84.298	2,582	0	2,472	0
Total Innovative Education Program Strategies Grant			2,582	0	2,516	0
Title II-A Grant	TR-S1-06	84.367	0	0	1,937	0
Title II-A Grant	TR-S1-07	84.367	29,779	0	29,744	0
Total Title II-A Grant			29,779	0	31,681	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-06	84.318	(254)	0	337	0
Title II-D Technology Literacy Challenge Funds	TJ-S1-07	84.318	913	0	659	0
Total Title II-D Technology Literacy Challenge Funds			659	0	996	0
Title III LEP - English Language Acquisition Grants	N/A	84.365	2,756	0	1,522	0
Title III LEP - English Language Acquisition Grants	T3-S2-07	84.365	8,040	0	8,040	0
Total Title III LEP - English Language Acquisition Grants			10,796	0	9,562	0
Title III, Part B - Grants for Supportive Services and Senior Centers	HR-01-06	84.938	3,000	0	3,000	0
Conflicts Management Grant	N/A	84.305	2,800	0	2,075	0
Total U.S. Department of Education			497,758	0	517,780	0
<b>Total Federal Financial Assistance</b>			<b>\$531,440</b>	<b>\$17,709</b>	<b>\$551,462</b>	<b>\$17,709</b>

*The accompanying notes to this schedule are an integral part of this schedule.*

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2007**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B – FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State and local grant monies. It is assumed federal monies are expended first. At June 30, 2007, the District had no significant food commodities in inventory.

**NOTE C – FEDERAL TRANSFERS**

The Ohio Department of Education (ODE) transferred federal monies remaining from the 2006 grant year to the 2007 grant year for four separate grants. These amounts are shown as negative receipts for the 2006 grant year and positive receipts in the 2007 grant year. This action by ODE allowed the District to extend the availability period for expenditure of these receipts.

CFDA – Catalog of Federal Domestic Assistance



# Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

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

### Compliance and Other Matters

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated December 14, 2007.

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

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

**Mary Taylor, CPA**  
Auditor of State

December 14, 2007





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Education:

### Compliance

We have audited the compliance of the Beachwood City School District, Cuyahoga County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Beachwood City School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### **Schedule of Federal Awards Receipts and Expenditures**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Beachwood City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Mary Taylor, CPA**  
Auditor of State

December 14, 2007

**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2007**

**1. SUMMARY OF AUDITOR'S RESULTS**

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
OF THE  
BEACHWOOD CITY SCHOOL DISTRICT  
*for the*  
FISCAL YEAR ENDED JUNE 30, 2007



*Prepared by Treasurer's Department*

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

24601 Fairmount Boulevard  
Beachwood, Ohio 44122-2298



**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**  
**Table of Contents**

	<u>Page</u>
<b>Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal .....	1
Board Members and Appointed Officials.....	10
Organizational Chart.....	11
GFOA Certificate of Achievement .....	12
<b>Financial Section</b>	
Independent Accountants' Report .....	13
Management's Discussion and Analysis .....	15
<i>Basic Financial Statements:</i>	
Government-wide Financial Statements:	
Statement of Net Assets.....	23
Statement of Activities.....	24
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	26
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds .....	28
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual – General Fund.....	30
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual – Consortium Fund .....	31
Statement of Fund Net Assets – Proprietary Fund .....	32
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund .....	33
Statement of Cash Flows – Proprietary Fund .....	34
Statement of Fiduciary Net Asset .....	35
Notes to the Basic Financial Statements .....	37

**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**  
**Table of Contents**

Combining Statements and Individual Fund Schedules:

Combining Statements – Non-major Governmental Funds:

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

Combining Statements – Fiduciary Funds:

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

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

Major Funds:

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

NonMajor Funds:

Building Fund .....	87
Food Service .....	88
Expendable Trust Fund .....	89
Uniform Supplies .....	90
Adult Education .....	91
Recreation .....	92
Pupil Support .....	93
Misc. Local Grants.....	94
Preschool .....	95
District Managed Student Activities.....	96
Auxiliary Services .....	97
Management Information Systems .....	98
Entry Year Grant .....	99
One Net .....	100
School Net Professional Development .....	101
Misc. State Grants.....	102
IDEA B .....	103



**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**  
**Table of Contents**

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

Title III .....	104
Title I .....	105
Title V .....	106
Drug Free Education .....	107
Preschool Handicapped Grant .....	108
E-Rate Grant .....	109
Title II-A .....	110
Miscellaneous Federal Grants .....	111
Health Care .....	112

**Statistical Tables**

**Financial Trends**

Net Assets by Component Last Five Fiscal Years .....	S 3
Changes in Net Assets of Governmental Activities Last Five Fiscal Years .....	S 4 – S 5
Program Revenues by Source Last Five Fiscal Years.....	S 7
Fund Balances, Governmental Funds Last Ten Fiscal Years.....	S 8 – S 9
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years .....	S 10 – S 11

**Revenue Capacity**

Assessed and Estimated Actual Value of Taxable Property, Last Ten Years .....	S 12
Property Tax Rates – Direct and Overlapping Last Ten Years .....	S 13
Property Tax Levies and Collections, Real and Personal Property - Last Ten Calendar Years.....	S 14
Principal Property Taxpayers - Real Estate Tax .....	S 15
Principal Property Taxpayers - Tangible Personal Property Tax .....	S 16
Principal Property Taxpayers – Public Utility Property Tax .....	S 17

**Debt Capacity**

All Outstanding Debt Last Ten Years .....	S 18
Computation of Direct and Overlapping Debt.....	S 19
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Years.....	S 20
Computation of Legal Debt Margin Last Ten Years .....	S 22 – S 23

**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**  
**Table of Contents**

**Statistical Tables, continued**

**Operating Information**

Demographic and Economic Statistics Last Nine Years.....	S 24
Principal Employers .....	S 25
Building Statistics by Function/Program Last Two Years.....	S 26
Per Pupil Cost Last Ten Fiscal Years .....	S 27
Attendance and Graduation Rates Last Ten Years.....	S 28
School District Employees by Function/Department Last Three Fiscal Years.....	S 29
Full-Time Equivalent School District Teachers by Education Last Four Fiscal Years .....	S 30
Enrollment Statistics Last Ten Fiscal Years .....	S 31
ACT Composite Scores Last Nine School Years.....	S 32
SAT Composite Scores Last Nine School Years .....	S 33
Average Numbers of Students per Teacher Last Ten School Years.....	S 34



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

December 14, 2007

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

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District for the fiscal year ended June 30, 2007, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is divided into the following sections:

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

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

## *Beachwood City School District*

### **The School District**

The School District is located in a growing, prosperous suburban area east of Cleveland, Ohio. The community's tax base is evenly distributed between commercial and residential property. The District serves 1,576 students from Pre-K through 12<sup>th</sup> grade in five instructional facilities.

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

### **Major Initiatives**

#### *Mission and Vision*

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

#### *Board of Education Goals*

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

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

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

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

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

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

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

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

## *Beachwood City School District*

### *Major Initiatives and Accomplishments*

Looking back at the 2006-07 school year, our collective accomplishments are extremely impressive.

No account of the Beachwood Schools is complete without an acknowledgement of the District's many awards and distinctions. Beachwood has been designated an "Excellent" school district by the Ohio Department of Education every year since the inception of the rating process, an accomplishment only 4% of the Districts in the State of Ohio has achieved. This past year was no exception; Beachwood passed all thirty of the indicators used to measure performance that are included on the District Report Card and successfully achieved Adequate Yearly Progress by our student subgroups.

Over the years, the high school and middle school have garnered three Blue Ribbon Awards from the Ohio Department of Education. In addition, the one-to-one laptop program secured the middle school the award of "National 21<sup>st</sup> Century School of Distinction for Technology Excellence" and the list could go on indefinitely.

The true proof of any district's quality is measured by the performance of its students. Beachwood's students are among the finest scholars in the state. The Beachwood public school experience is often described as "a private school education in a public school setting." In reality, the Beachwood City School District is the direct beneficiary of a relatively small tightly-knit community that values and supports formal education, both public and private. Beachwood High School is primarily a college-preparatory institution. Historically, close to 100% of our graduates attend college, many opting for highly selective schools of significant academic status. Members of the Beachwood High School Graduating Class of 2007 were accepted at Brandeis, Cornell, Dartmouth, George Washington, Harvard, Johns Hopkins, Williams, and Yale, among others.

Beachwood's students leave our schools to compete in a global marketplace. If they are to do so successfully, they must be equipped for the task. They must have well developed flexible skill sets. They must know how to function both independently and as part of a team. They must be able to research, problem solve, and communicate their ideas to others. If the schools in Singapore, Japan, Hong Kong, or Korea outpace us, they will not wait for us to "catch up." Hence, when we benchmark our own students' progress we do not neglect to compare them with students in the aforementioned regions.

The Ohio District Report Card is certainly an indicator of academic achievement, but it is but one. Beachwood's students are in competition for jobs both domestic and foreign, hence an analysis of the adequacy of our instruction includes data of a global nature.

Based upon that data, curricular adjustments are made. In Beachwood, these have manifested themselves in the establishment of a Chinese foreign language program that has resulted in Beachwood's being named one of three Ohio public partner schools by The Ohio State University for the implementation of Chinese foreign studies in our state. Another would be the expansion and enhancement of the district's mathematics and science programs. For 2007, Beachwood High School has increased its Science Department teaching staff by one and added a Robotics course, born of the Honors Physics curriculum, as an effort to further strengthen Beachwood's pre-engineering component. Beachwood High School's Advanced Placement Calculus program is thriving. In 2005-2006, all 23 students enrolled in the program earned scores of "5", the highest possible. In 2006-2007, of the 29 students enrolled, 26 earned "5" and 3 earned "4". (Remember please, that a score of "3" or higher will generally qualify for college credit.) It should come as no surprise that this year, Beachwood has 39 students enrolled in Advanced Placement Calculus classes.

## *Beachwood City School District*

In each of our buildings, Beachwood City School District is striving to support landscapes for learning that are safe inviting motivational environments. This includes the beautiful Fairmount Early Childhood Learning Center, the child-centered Bryden Elementary and Hilltop Elementary Schools, the state-of-the-art National Middle School Association model Beachwood Middle School, and Beachwood High School whose tradition of academic excellence is being enhanced by a host of new and varied academic offerings.

A school district is only as good as its teachers. Fortunately, Beachwood has some of the best. Of our 169 teachers, 133 (approximately 78%) hold a Master's degree or higher. Most have considerable teaching experience; even our newest teachers rarely come to us without a significant track record of success in the classroom. Our student to teacher ratio is 14.3:1; one of the lowest in the state among public school districts.

Every Ohio school district knows the reality of fiscal restraints. Beachwood historically has been very blessed. A residential base that values and supports education and a healthy commercial foundation of support thanks to the efforts of local businesses, the City, and the Chamber of Commerce have afforded the school district opportunities that escape many others. However, recent economic developments at both the state and national levels have brought the realization that Beachwood is not immune to the financial challenges that all districts in Ohio have experienced.

We have had to adjust our managerial practices to meet those challenges in a number of ways. I like to describe the process as a "surgical" one because our goal has been to safeguard and enhance the quality of the academic programs while reducing the cost of delivery. We studied ways to reduce costs without hampering services and acted accordingly. In some cases, we reduced the number of personnel serving in non-instructional roles and redistributed their duties among those remaining in their classification or to volunteers. We brought out-of-district tuition-based special education programming back to Beachwood. We have reorganized the Central Office for 2007-2008 to provide greater administrative efficiency at a reduced cost. We continue our membership in a variety of educational purchasing cooperatives to assure competitive costs for purchased commodities. We host several tuition-based consortium programs in cooperation with surrounding school districts that sustain curriculum accessible to students in Beachwood and the member districts.

For 2007-2008, the Beachwood Board of Education reconfigured the district's buildings. Interestingly enough, this action, which began as a financial initiative originating in a Community Finance Committee, quickly morphed into an educational one that allowed us to address kindergarten transition concerns; align our elementary programs more fully with academic content standards; and expand physical education, fine arts, and gifted programming. Furthermore, we were able to implement a broader curriculum with greater ease of academic acceleration at Beachwood Middle School. It is a tribute to our community, our Board of Education, and particularly the staff of the Beachwood City School District that the reconfiguration was accomplished so smoothly.

Recently Beachwood City School District was awarded a Aa1 bond rating, one of approximately 40 school districts' nationwide to enjoy that status. As such, we are among the smallest school districts so named. Four measurement criteria were used to determine the district's eligibility: voter history, qualities of the management/leadership team, financial strength, and size of the entity. Achieving this rating is a reflection of the community's long-established commitment to education. "With increased power comes increased responsibility. Can we global citizens really learn enough, about enough, fast enough, and well enough for our voices to have not only weight but wisdom?" Emonn Kelly, *Powerful Times*.

*Beachwood City School District*

That quote expresses the true challenges of education in the 21<sup>st</sup> century. Beachwood is preparing its students to excel as they address the demands of a rapidly changing world.

**Financial Information**

*Accounting and Budgetary Controls*

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

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

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

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

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

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

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

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

## *Beachwood City School District*

### *Financial Reporting*

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for the fiscal year 2007.

### *Debt Administration*

At June 30, 2007, the District had general obligation bond issues outstanding of \$13,359,984. See Note 14 of the Notes to the Basic Financial Statements.

Under the current Ohio Revised Code, the District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1% respectively, of the total assessed value of real and personal property. At June 30, 2007, the District's voted general obligation bonded debt of \$13,359,984 was substantially below the legal limit of \$57,422,571 (voted). In addition, the District had no un-voted debt at June 30, 2007. The District has received an Aa1 rating from Moody's Investors Service in June, 2007 (upgraded from Aa2), in preparation for an advanced refunding of outstanding bonds, which occurred in July, 2007.

### *Cash Management*

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



## *Beachwood City School District*

### *Risk Management*

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

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

### *Long-Term Financial Planning*

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

### **Significant Local Economic Events**

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

The economic condition and outlook for the community has been challenging, especially considering the economic downturn in the Midwest. The growth in the tax duplicate has been primarily realized due to the continued development of both office and retail commercial property and residential development. The community's tax base is fairly evenly distributed between commercial and residential property. Forty-five percent of the District's valuation is comprised of residential property and fifty-five percent is comprised of commercial or public utility property. Due to changes in laws enacted by the State legislature, the District's personal property tax base will continue to erode as the State has eliminated this tax. All Districts in the State of Ohio will be held harmless by the State through 2010, at which time the state will eliminate the hold harmless provision. The State of Ohio's overall economic outlook is not as bright as the rest of the country as we make our way through economic recovery.

The City of Beachwood has annexed 400 acres from a neighboring community (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 District signed an agreement with the Warrensville Heights School District to share in any future tax revenue. Beachwood Schools would receive 30% of the tax revenue from all future development. Originally, Warrensville Heights School District was the sole beneficiary of school tax revenues. The District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future. As of the date of this financial statement, it is expected that tax revenue sharing will be forthcoming in the next couple of years. The District is currently in negotiations with the Warrensville Heights School District to determine revenue trigger points and how and when tax revenue will be remitted to Beachwood Schools from Warrensville Heights Schools. The City of Beachwood recently announced that University Hospitals plans to build a 1,000 bed hospital on the Chagrin Highlands site. While this is great economic news for the City, the Schools will probably not receive any property tax dollars as University Hospitals has sought tax exemption in all of the communities in which it currently operates.

## *Beachwood City School District*

### **Prospects for The Future**

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the District's total operating millage is 71.8 mills, the effective millage levied and collected is 31.01 and 39.77 respectively, for residential and commercial property.

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

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

### **Other Information**

#### *Independent Audit*

The Ohio Revised Code requires an annual audit of the District's financial statements and its compliance with certain sections of the Ohio Revised Code. The Ohio Auditor of State conducted the District's 2007 fiscal year audit. The Independent Accountants' 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, 2006. (This was the 19<sup>th</sup> consecutive year that the Beachwood City School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

*Beachwood City School District*

Acknowledgments

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


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

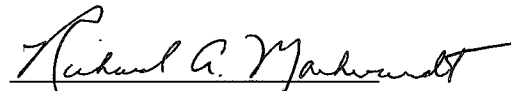
A special thanks to art teacher Chunny Hahn for the inspiration she provides to her students and the artwork they contributed to this publication.

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

Audit Committee

The Beachwood City School District has an active audit committee, comprised of 3 members of the community (all of whom are CPA's), one Board member (also a CPA) and the District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. Many thanks to the audit committee members whose wise counsel has assisted in improving internal controls, reviews the audit and makes appropriate recommendations to the Board of Education. Mr. Michael Ritter, Mr. Neil Tramer and Ms. Patty Rubin along with Mr. David Ostro (board member) are to be commended for their efforts.

  
Michele E. Mills  
Finance Director/Treasurer

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

*Beachwood City School District*

Elected Officials

Board of Education

Dr. Scott Peters.....President

Mrs. Beth Rosenbaum ..... Vice President

Mr. David Ostro..... Member

Dr. Brian Weiss ..... Member

Dr. Alan Rosenthal ..... Member

Appointed Officials

Director of Finance/Treasurer

Michele E. Mills

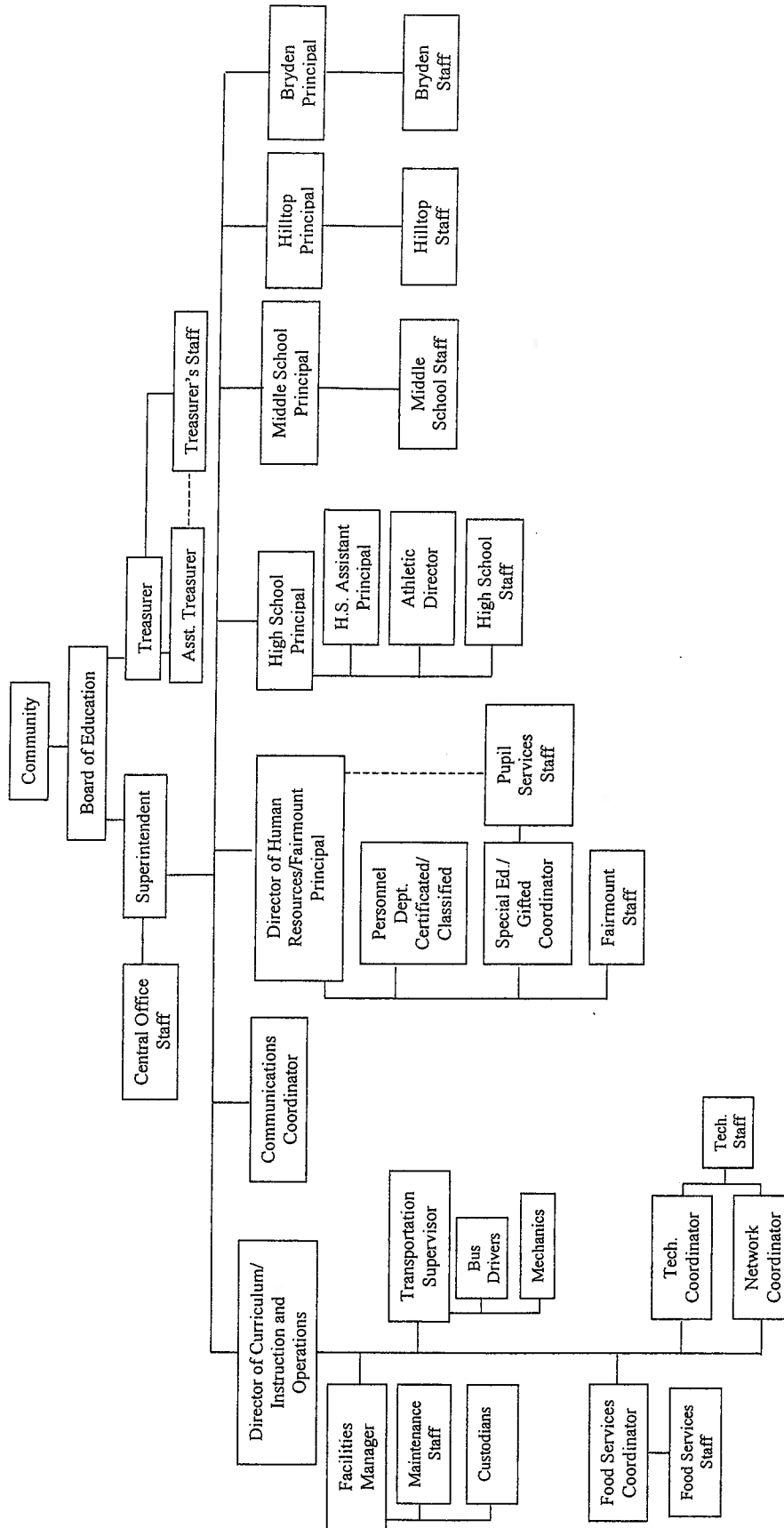
Administration

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

Dr. Philip Wagner..... Assistant Superintendent

Mrs. Lauren Broderick..... Director of Pupil Services

# Beachwood City School District Organizational Chart – Policy No. 1101



# 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, 2006

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



President

Executive Director

# Financial Section







# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, as of June 30, 2007, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and Consortium funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Mary Taylor, CPA**  
Auditor of State

December 14, 2007

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

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The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

Key financial highlights for 2007 are as follows:

- The District's financial condition substantially improved over 2006 due to the combination of the passage of a 5.9 mill operating levy and a decrease in staffing due to retirements and a reduction in force.
- Total net assets increased \$5,344,542, which represents a 26.44 percent increase from 2006.
- General revenues accounted for \$33,716,285 in revenue or 83 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,989,310 or 17 percent of total revenues of \$40,705,595.
- Total assets of governmental activities increased \$429,256 as cash increased by \$4,322,419, while capital assets decreased by \$601,672 due to very little activity and purchases of capital equipment and/or building projects and because depreciation expenses exceeded the additions to capital assets. Taxes and other receivables decreased by \$3,255,570 due to a decrease in personal property taxes and the unpaid tax bills of the Cleveland Clinic. While the State of Ohio has agreed to hold harmless the Districts who have been impacted by the elimination of the personal property tax, the State has a right not to remit the funds, and therefore, those tax dollars are not included in the financial statements for accrual purposes.
- The District had \$35,361,053 in expenses related to governmental activities; only \$6,989,310 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$33,716,285 were adequate to provide for these programs.
- Among major funds, the general fund had \$33,505,051 in operating revenues and \$28,743,982 in operating expenditures. The general fund's fund balance increased to \$11,064,853 from \$6,187,010.

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

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

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

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

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

#### *Statement of Net Assets and Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2007?" The Statement of Net Assets and Statement of Activities answer this question. These statements include *all assets and all liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

#### *Fund Financial Statements*

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

*Governmental Funds* Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

You may recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2007 compared to 2006:

Table 1		
Governmental Activities		
	2007	2006
<b>Assets</b>		
Current and Other Assets	\$42,106,190	\$41,075,264
Capital Assets	30,230,956	30,832,628
Total Assets	72,337,146	71,907,892
<b>Liabilities</b>		
Long-Term Liabilities	19,452,377	21,355,168
Other Liabilities	27,329,180	30,341,677
Total Liabilities	46,781,557	51,696,845
<b>Net Assets</b>		
Invested in Capital Assets Net of Debt	13,307,244	12,150,684
Restricted	2,302,492	2,491,224
Unrestricted	9,945,853	5,569,139
Total Net Assets	\$25,555,589	\$20,211,047

Total assets increased \$429,254. Equity in pooled cash and cash equivalents increased \$4,322,419. Taxes receivable decreased \$3,187,947.

Net assets of the District's governmental activities increased by \$5,344,542. The surplus in unrestricted net assets increased by \$4,376,714.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

Table 2 shows the changes in net assets for fiscal year 2007 with revenue and expense comparisons to fiscal year 2006:

	Governmental Activities 2007	Governmental Activities 2006
<b>Program Revenues:</b>		
Charges for Services	\$4,065,548	\$3,917,551
Operating Grants	2,912,296	2,821,241
Capital Grants	11,466	22,358
<b>General Revenue:</b>		
Property Taxes	29,661,499	28,281,357
Grants and Entitlements	3,168,842	2,772,082
Investments	809,864	328,084
Other	76,080	83,182
<b>Total Revenue</b>	<b>\$40,705,595</b>	<b>\$38,225,855</b>
<b>Program Expenses:</b>		
<b>Instruction:</b>		
Regular	\$11,080,629	\$10,648,385
Special	5,303,469	4,883,454
Vocational	869,041	1,083,365
Adult/Continuing	245,490	187,370
Other	701,677	747,592
<b>Support Services:</b>		
Pupil	2,602,066	2,683,123
Instructional Staff	1,013,004	996,497
Board of Education	473,970	361,428
Administration	2,314,305	2,291,977
Fiscal	763,705	821,105
Business	506,341	464,096
Operation of Maintenance and Plant	3,724,961	3,553,721
Pupil Transportation	1,905,211	1,795,090
Central	907,791	891,381
<b>Operation of Non-Instructional Services</b>		
Extra-curricular Activities	997,432	823,543
Interest and Fiscal Charges	958,209	885,704
	993,752	798,353
<b>Total Expenses</b>	<b>\$35,361,053</b>	<b>\$33,916,184</b>
<b>Change in Net Assets</b>	<b>\$5,344,542</b>	<b>\$4,309,671</b>
<b>Beginning Net Assets</b>	<b>20,211,047</b>	<b>15,901,376</b>
<b>Ending Net Assets</b>	<b>\$25,555,589</b>	<b>\$20,211,047</b>

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
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 73 percent of revenues for governmental activities for the District in fiscal year 2007.

Instruction comprises 51.5 percent of governmental program expenses. Interest expense was 2.87 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 2006.

	Table 3 – Governmental Activities			
	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
	Instruction	\$18,200,306	\$13,836,146	\$17,550,166
Support Services:				
Pupil and Instructional Staff	3,615,070	2,637,052	3,679,620	3,085,316
Board of Education, Administration, Fiscal and Business	4,058,321	4,037,925	3,938,606	3,889,976
Operation and Maintenance of Plant	3,724,961	3,459,147	3,553,721	3,274,966
Pupil Transportation	1,905,211	1,350,871	1,795,090	1,239,458
Central	907,791	821,282	891,381	825,410
Operation of Non-Instructional Services	997,432	323,387	823,543	189,723
Extracurricular Activities	958,209	912,181	885,704	807,278
Interest and Fiscal Charges/Other	993,752	993,752	798,353	798,353
Total Expenses	\$35,361,053	\$28,371,743	\$33,916,184	\$27,155,034

The dependence upon tax revenues for governmental activities is apparent. Over 76 percent of instruction activities are supported through taxes and other general revenues, for all governmental activities general revenue support is 80 percent. The community, as a whole, is by far the primary support for the District's students.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

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**The School District's Funds**

Information about the District's major funds starts on page 26. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$42,240,107 and expenditures of \$37,454,863. The net change in fund balance for the year was most significant in the general fund, an increase of \$4,877,843. This increase is due to the passage of a 5.9 mill operating levy which began collecting in January, 2006.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2007, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$579,930 more than the final budget estimates of \$32,030,285 which was primarily due to increases in tax revenues.

There were two minor amendments to the original appropriations during fiscal year 2007.

The District's ending unobligated cash balance was \$2,137,431 above the final budgeted amount.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal 2007, the District had \$30,230,956 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 8 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2007 balances compared to 2006:

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

	Governmental Activities	
	2007	2006
Land	\$831,499	\$831,499
Land Improvements	1,726,706	1,817,985
Buildings and Improvements	26,112,611	26,728,336
Equipment	941,045	997,434
Vehicles	619,095	547,374
Totals	<u>\$30,230,956</u>	<u>\$30,832,628</u>

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



Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

For fiscal year 2007, Ohio law required school districts to set aside three percent of certain revenues for capital improvements and textbooks, respectively. For fiscal year 2007, this amounted to \$237,710 for each set aside. For fiscal year 2007, the District had qualifying disbursements or offsets exceeding these requirements. For fiscal year 2007, the set aside will remain three percent. The District has budgeted to meet these requirements.

**Debt**

At June 30, 2007, the District had \$16,174,984 in bonds and notes outstanding, \$1,049,945 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 14 to the basic financial statements for more detailed information on long-term debt activity.

Table 5 - Outstanding Debt, at Year End

	Governmental	Governmental
	Activities	Activities
	2007	2006
<b>General Obligation Bonds</b>		
2000 Tax Anticipation Notes	\$2,815,000	\$3,435,000
2002 School Improvement Premium	377,560	402,731
2002 Un-amortized Accounting Gain	148,169	157,430
2002 School Improvement Bonds	<u>13,211,815</u>	<u>14,442,552</u>
<b>Total</b>	<u>\$16,552,544</u>	<u>\$18,437,713</u>

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

At June 30, 2007, the District's overall legal debt margin was \$57,422,571 with an un-voted debt margin of \$786,473. The District upgraded its bond rating in June, 2007 from Aa2 to Aa1.

**For the Future**

The Beachwood City School District closed out its fiscal year on June 30, 2007 on a positive note as the District as the community overwhelming passed a 5.9 mill operating levy in 2006 which began full collection in 2007, concluded negotiations successfully with the Beachwood Educational Interpreters Union (BEIU) through August, 2009, studied and decided to implement a reconfiguration of grade levels which initially studied as a recommendation of the finance committee as an area to review to save costs, but ended up being a good instructional decision for the students. The reconfiguration was implemented in the fall of 2007.

In June, 2007, the District received an upgrade in its bond rating to Aa1 from Moody's Investor's Service for the new and all outstanding debt. This rating is among the highest of all school districts in Ohio.

Beachwood City School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
*Unaudited*

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

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

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

# Basic Financial Statements

**Beachwood City Schools**  
*Statement of Net Assets*  
*June 30, 2007*

	<b>Governmental Activities</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 11,331,213
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	75,278
Accrued Interest Receivable	120,094
Accounts Receivable	85,197
Property Taxes Receivable	30,211,366
Noncurrent Assets:	
Deferred Charges	148,169
Non-Depreciable Capital Assets	831,499
Depreciable Capital Assets, net	29,399,457
<i>Total Assets</i>	<i>72,337,146</i>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	25,665
Accrued Wages and Benefits	2,823,475
Intergovernmental Payable	420,253
Undistributed Monies	9,630
Matured Bonds Payable	86,363
Unearned Revenue	23,880,594
Claims Payable	83,200
Long-Term Liabilities:	
Due Within One Year	1,636,778
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due in More Than One Year	17,815,599
<i>Total Liabilities</i>	<i>46,781,557</i>
<b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	13,307,244
Restricted for Debt Service	1,594,417
Restricted for Capital Outlay	337,034
Restricted for Other Purposes	236,168
Restricted for Set Asides	134,873
Unrestricted	9,945,853
<i>Total Net Assets</i>	<i>\$ 25,555,589</i>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2007

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 11,080,629	\$ 433,566	\$ 606,968	
Special	5,303,469	1,169,614	772,210	
Vocational	869,041	326,213	311,804	
Adult/Continuing	245,490	203,244		
Other	701,677	510,762	29,779	
Support Services:				
Pupils	2,602,066	618,216	290,804	
Instructional Staff	1,013,004	2,323	66,675	
Board of Education	473,970			
Administration	2,314,305		7,736	
Fiscal	763,705			
Business	506,341	12,660		
Operation and Maintenance of Plant	3,724,961	265,814		
Pupil Transportation	1,905,211	59,964	482,910	11,466
Central	907,791	39,993	46,516	
Operation of Non-Instructional Services:				
Food Service Operations	695,693	374,118	34,751	
Community Services	301,739	3,033	262,143	
Extracurricular Activities	958,209	46,028		
Debt Service:				
Issuance Costs	9,261			
Interest and Fiscal Charges	984,491			
<b>Total Governmental Activities</b>	<b>\$ 35,361,053</b>	<b>\$ 4,065,548</b>	<b>\$ 2,912,296</b>	<b>\$ 11,466</b>

**General Revenues:**

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

*Total General Revenues and Transfers*

*Change in Net Assets*

*Net Assets Beginning of Year*

*Net Assets End of Year*

See Accompanying Notes to the Basic Financial Statements

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

**Total  
Governmental  
Activities**

\$ (10,040,095)  
(3,361,645)  
(231,024)  
(42,246)  
(161,136)  
  
(1,693,046)  
(944,006)  
(473,970)  
(2,306,569)  
(763,705)  
(493,681)  
(3,459,147)  
(1,350,871)  
(821,282)  
  
(286,824)  
(36,563)  
(912,181)  
  
(9,261)  
(984,491)

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\$ (28,371,743)

3,168,842  
809,864  
23,756  
29,661,499

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52,324

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33,716,285

5,344,542

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20,211,047

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\$ 25,555,589

**Beachwood City Schools**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2007*

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Consortium Fund</u>
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 7,832,810	\$ 1,053,318	\$ 460,871	\$ 1,222,607
Cash and Cash Equivalents in Segregated Accounts	134,873			
Materials and Supplies Inventory	68,518			
Accrued Interest Receivable	120,094			
Accounts Receivable	22,768			60,238
Interfund Receivable	672,905			
Due From Other Funds	315,000			
Property Taxes Receivable	<u>27,422,017</u>	<u>2,114,818</u>	<u>674,531</u>	<u>        </u>
<i>Total Assets</i>	<u>\$ 36,588,985</u>	<u>\$ 3,168,136</u>	<u>\$ 1,135,402</u>	<u>\$ 1,282,845</u>
<b>LIABILITIES:</b>				
Accounts Payable	23,707			771
Accrued Wages and Benefits	2,400,853			326,131
Interfund Payable				672,905
Due to Other Funds			315,000	
Intergovernmental Payable	357,450			41,425
Undistributed Monies				
Unearned Revenue	22,742,122	1,527,584	545,349	
General Obligation Bonds Payable		<u>86,363</u>		
<i>Total Liabilities</i>	<u>25,524,132</u>	<u>1,613,947</u>	<u>860,349</u>	<u>1,041,232</u>
<b>Equity:</b>				
<b>FUND BALANCES:</b>				
<b>Reserved:</b>				
Reserved for Encumbrances	430,757		29,858	23,908
Reserved for Inventory	68,518			
Reserved for Property Taxes	4,605,460	583,992	128,018	
Reserved for Budget Stabilization	134,873			
<b>Unreserved, Undesignated, Reported in:</b>				
General Fund	5,825,245			
Special Revenue Funds				217,705
Debt Service Funds		970,197		
Capital Projects Funds			<u>117,177</u>	
<i>Total Fund Balances</i>	<u>11,064,853</u>	<u>1,554,189</u>	<u>275,053</u>	<u>241,613</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 36,588,985</u>	<u>\$ 3,168,136</u>	<u>\$ 1,135,402</u>	<u>\$ 1,282,845</u>

See Accompanying Notes to the Basic Financial Statements

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$13,539,659
\$ 524,745	\$ 11,094,351	Amounts reported for governmental activities in the Statement of Net Assets are different because:	
	134,873	Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:	
6,760	75,278	Nondepreciable capital assets	831,499
	120,094	Depreciable capital assets	29,399,457
2,191	85,197	Deferred charges (unamortized bond issuance costs) are not reported in the funds as an asset:	
	672,905	Deferred revenue, including delinquent property tax revenues, are not receivable in the current period and therefore, are not reported in the funds:	
	315,000	Unearned revenue	935,520
	30,211,366	Long term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
<u>\$ 533,696</u>	<u>\$ 42,709,064</u>	Due within one year	(1,636,778)
		Due within more than one year	(17,815,599)
1,187	25,665	Internal service funds are used by management to charge the vision expenses in the governmental activities in the Statement of Net Assets	
96,491	2,823,475		<u>153,662</u>
	672,905	<b>Net Assets of Governmental Activities</b>	<u><u>\$25,555,589</u></u>
	315,000		
21,378	420,253		
9,630	9,630		
1,059	24,816,114		
	86,363		
<u>129,745</u>	<u>29,169,405</u>		
38,904	523,427		
	68,518		
	5,317,470		
	134,873		
	5,825,245		
350,634	568,339		
	970,197		
14,413	131,590		
<u>403,951</u>	<u>13,539,659</u>		
<u>\$ 533,696</u>	<u>\$ 42,709,064</u>		



**Beachwood City Schools**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
For the Fiscal Year Ended June 30, 2007

	General	Bond Retirement Fund	Permanent Improvement Fund	Consortium Fund
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 27,294,177	\$ 2,520,795	\$ 652,887	\$ -
Intergovernmental	4,467,921	164,863	76,677	518,217
Interest	715,592		2,945	
Increase in Fair Value of Investments	90,826			
Tuition and Fees	308,385			1,974,601
Rent	263,514			
Extracurricular Activities				
Gifts and Donations	1,000			
Customer Sales and Services	142,992			17,529
Miscellaneous	220,644			
<i>Total Revenues</i>	<u>33,505,051</u>	<u>2,685,658</u>	<u>732,509</u>	<u>2,510,347</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	10,054,083			
Special	4,023,676			990,324
Vocational	210,709			637,404
Adult/Continuing				
Other	288,858			
Support Services:				
Pupils	1,525,292			882,354
Instructional Staff	880,597			
Board of Education	451,140			
Administration	2,332,548			
Fiscal	851,328			
Business	499,306			
Operation and Maintenance of Plant	3,532,329		164,801	
Pupil Transportation	1,958,588			
Central	1,352,707			265
Operation of Non-Instructional Services:				
Food Service Operations				
Community Services				
Extracurricular Activities	782,821			
Capital Outlay:				
Building Improvement Services				
Other Facilities Acquisition and Construction			438,985	
Debt Service:				
Principal		1,859,998		
Interest		1,009,662		
<i>Total Expenditures</i>	<u>28,743,982</u>	<u>2,869,660</u>	<u>603,786</u>	<u>2,510,347</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,761,069</u>	<u>(184,002)</u>	<u>128,723</u>	<u>0</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In				
Proceeds from Sale of Capital Assets	18,622			
Inception of Capital Lease	413,152			
Transfers Out	(315,000)			
<i>Total Other Financing Sources and Uses</i>	<u>116,774</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	4,877,843	(184,002)	128,723	
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>6,187,010</u>	<u>1,738,191</u>	<u>146,330</u>	<u>241,613</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 11,064,853</u>	<u>\$ 1,554,189</u>	<u>\$ 275,053</u>	<u>\$ 241,613</u>

See Accompanying Notes to the Basic Financial Statements

All Other Governmental Funds	Total Governmental Funds		
		Net change in Fund Balances - Total Governmental Funds	\$4,785,244
\$ -	\$ 30,467,859		
855,743	6,083,421	Amounts reported for governmental activities in the Statement of Activities are different because:	
4,411	722,948		
	90,826		
510,762	2,793,748	Governmental Funds report capital outlays as expenditures.	
	263,514	However in the Statement of Activities the cost of those assets	
46,028	46,028	is allocated over the estimated useful lives of the assets as	
8,733	9,733	depreciation expense. This is the amount by which capital outlays	
634,091	794,612	exceeded depreciation in the current period.	
	220,644		
<u>2,059,768</u>	<u>41,493,333</u>	Capital Outlay	1,041,561
		Depreciation	<u>(1,643,233)</u>
		Total	(601,672)
		Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
50,190	10,104,273		
213,010	5,227,010	Property Taxes	(806,360)
7,712	855,825		
248,336	248,336	The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,758,232
408,660	697,518		
202,411	2,610,057		
78,890	959,487	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.	73,800
	451,140		
8,117	2,340,665		
2,468	853,796	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.	135,298
	499,306		
	3,697,130	Changes in Net Assets of Governmental Activities	<u>\$ 5,344,542</u>
44,313	1,958,588		
	1,397,285		
648,511	648,511		
289,481	289,481		
140,115	922,936		
9,097	9,097		
60,777	499,762		
	1,859,998		
	<u>1,009,662</u>		
<u>2,412,088</u>	<u>37,139,863</u>		
<u>(352,320)</u>	<u>4,353,470</u>		
315,000	315,000		
	18,622		
	413,152		
	<u>(315,000)</u>		
<u>315,000</u>	<u>431,774</u>		
<u>(37,320)</u>	<u>4,785,244</u>		
<u>441,271</u>	<u>8,754,415</u>		
<u>\$ 403,951</u>	<u>\$ 13,539,659</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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 26,398,828	\$ 26,398,828	\$ 26,481,412	\$ 82,584
Intergovernmental	4,231,925	4,231,925	4,467,921	235,996
Interest	550,000	550,000	613,589	63,589
Tuition and Fees	213,232	213,232	437,422	224,190
Rent	263,369	263,369	244,584	(18,785)
Gifts and Donations	75	75	1,000	925
Customer Sales and Services	164,356	164,356	142,992	(21,364)
Miscellaneous	208,500	208,500	221,295	12,795
<b>Total Revenues</b>	<u>32,030,285</u>	<u>32,030,285</u>	<u>32,610,215</u>	<u>579,930</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	11,069,234	10,412,485	9,954,179	458,306
Special	3,888,978	4,332,299	4,140,392	191,907
Vocational	388,494	300,494	241,132	59,362
Other	273,586	341,586	274,217	67,369
<b>Support Services:</b>				
Pupils	1,586,006	1,590,265	1,523,796	66,469
Instructional Staff	1,009,243	956,443	900,931	55,512
Board of Education	347,489	461,489	460,495	994
Administration	2,509,170	2,497,805	2,390,031	107,774
Fiscal	804,268	883,568	844,091	39,477
Business	542,323	566,323	476,764	89,559
Operation and Maintenance of Plant	4,032,450	3,832,450	3,591,985	240,465
Pupil Transportation	1,920,565	1,980,265	1,925,160	55,105
Central	1,077,028	1,045,583	982,712	62,871
<b>Extracurricular Activities:</b>				
Academic Oriented Activities	99,776	98,776	98,660	116
Sport Oriented Activities	630,314	640,814	640,086	728
School and Public Service Co-Curricular Activities	41,464	61,464	59,777	1,687
<b>Total Expenditures</b>	<u>30,220,388</u>	<u>30,002,109</u>	<u>28,504,408</u>	<u>1,497,701</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>1,809,897</u>	<u>2,028,176</u>	<u>4,105,807</u>	<u>2,077,631</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Proceeds from Sale of Capital Assets	18,572	18,572	18,622	50
Transfers Out	(450,200)	(375,200)	(315,450)	59,750
Advances Out	(25,000)	(315,000)	(315,000)	0
<b>Total Other Financing Sources and Uses</b>	<u>(456,628)</u>	<u>(671,628)</u>	<u>(611,828)</u>	<u>59,800</u>
<b>Net Change in Fund Balances</b>	1,353,269	1,356,548	3,493,979	2,137,431
Fund Balance (Deficit) at Beginning of Year	3,652,125	3,652,125	3,652,125	0
Prior Year Encumbrances Appropriated	299,042	299,042	299,042	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$5,304,436</u>	<u>\$5,307,715</u>	<u>\$7,445,146</u>	<u>\$ 2,137,431</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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 598,401	\$ 598,401	\$ 518,217	\$ (80,184)
Tuition and Fees	2,097,000	2,097,000	2,159,378	62,378
Customer Sales and Services	3,500	3,500	17,529	14,029
<b>Total Revenues</b>	<u>2,698,901</u>	<u>2,698,901</u>	<u>2,695,124</u>	<u>(3,777)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Special	1,593,960	1,386,122	1,118,401	267,721
Vocational	904,979	894,919	636,568	258,351
Support Services:				
Pupils	1,055,641	1,068,541	886,026	182,515
Central	1,440	1,440	285	1,155
<b>Total Expenditures</b>	<u>3,556,020</u>	<u>3,351,022</u>	<u>2,641,280</u>	<u>709,742</u>
Excess of Revenues Over (Under) Expenditures	<u>(857,119)</u>	<u>(652,121)</u>	<u>53,844</u>	<u>705,965</u>
Net Change in Fund Balances	(857,119)	(652,121)	53,844	705,965
Fund Balance (Deficit) at Beginning of Year	1,140,268	1,140,268	1,140,268	0
Prior Year Encumbrances Appropriated	4,583	4,583	4,583	0
Fund Balance (Deficit) at End of Year	<u>\$287,732</u>	<u>\$492,730</u>	<u>\$1,198,695</u>	<u>\$ 705,965</u>

See Accompanying Notes to Basic Financial Statements

**Beachwood City Schools**  
*Statement of Fund Net Assets*  
*Proprietary Fund*  
*June 30, 2007*

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	<b>Governmental Activities - Internal Service Funds</b>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 236,862
<i>Total Current Assets</i>	<u>236,862</u>
<i>Total Assets</i>	<u>236,862</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Claims Payable	83,200
<i>Total Current Liabilities</i>	<u>83,200</u>
<i>Total Liabilities</i>	<u>83,200</u>
<b>NET ASSETS:</b>	
Unrestricted	<u>153,662</u>
<i>Total Net Assets</i>	<u><u>\$ 153,662</u></u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Revenues, Expenses and Changes in Fund Net Assets*  
*Proprietary Fund*  
*For the Fiscal Year Ended June 30, 2007*

	<b>Governmental Activities - Internal Service Funds</b>
<b>OPERATING REVENUES:</b>	
Other Revenues	\$832,154
<i>Total Operating Revenues</i>	832,154
<b>OPERATING EXPENSES:</b>	
Claims	758,354
<i>Total Operating Expenses</i>	758,354
<i>Operating Income (Loss)</i>	73,800
<i>Income (Loss) Before Contributions and Transfers</i>	73,800
<i>Net Change in Net Assets</i>	73,800
<i>Net Assets(Deficit) at Beginning of Year</i>	79,862
<i>Net Assets (Deficit) at End of Year</i>	\$153,662

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Cash Flows*  
*Proprietary Fund*  
For the Fiscal Year Ended June 30, 2007

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<i>Cash Flows from Operating Activities:</i>	
Cash received from self insurance premiums	\$ 832,154
Payments for Claims	<u>(675,154)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>157,000</u>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>79,862</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$ 236,862</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Gain	73,800
Increase (Decrease) in Liabilities	83,200
	<u>                    </u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ 157,000</u></u>

See Accompanying Notes to the Basic Financial Statements

**Beachwood City Schools**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Fund*  
*June 30, 2007*

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	<u><b>Agency Fund</b></u>
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 387,916
	<u>387,916</u>
<i>Total Current Assets</i>	<u>387,916</u>
<i>Total Assets</i>	<u><u>387,916</u></u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Undistributed Monies	324,820
Due to Students	<u>63,096</u>
<i>Total Current Liabilities</i>	<u>387,916</u>
<i>Total Liabilities</i>	<u><u>387,916</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, 2007

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

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

The Board controls the School District’s five instructional facilities and one support facility staffed by 158 certificated teaching personnel, 146 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 2007 fiscal year was 1,576. The District operates three elementary schools, a middle school, and a high school.

**Reporting Entity**

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

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

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

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

- Public Entity Risk Pool:
  - Sheakley Uniservice, Inc. Worker’s Compensation Group Rating Program

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**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. Following are the more significant of the School District's accounting policies.

**A. Basis of Presentation**

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**B. Fund Accounting**

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

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

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

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

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

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

**C. Measurement Focus**

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

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

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

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

**D. Basis of Accounting**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

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

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

**Unearned Revenue** Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as unearned revenue.

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

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

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, 2007

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**E. Budgetary Data**

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

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

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

**Encumbrances**

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

**Lapsing of Appropriations**

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**F. Cash and Investments**

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

During fiscal year 2007, investments were limited to demand deposits, certificates of deposit, Victory Federal Money Market, federal agency discount notes, treasury bills, banker's acceptances 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 2007. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows government within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2007.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2007 amounted to \$715,592, which includes \$205,178 assigned from other School District funds.

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**H. Inventory**

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



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

**I. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other government or imposed by enabling legislation. By Statute, money must be set aside to create a reserve for budget stabilization. Restricted assets in the General Fund include the amount required by State statute to be set aside for budget stabilization. See Note 15 for additional information regarding set-asides.

**J. Capital Assets**

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

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

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**K. Inter-fund Balances**

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

**L. Compensated Absences**

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

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

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

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

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

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

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**O. Fund Balance Reserves and Designations**

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

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

**P. Operating Revenues and Expenses**

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

**Q. Inter-fund Transactions**

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**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 2007.

**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**

**B. Deficit Fund Balances**

Fund equity/retained earnings at June 30, 2007 included the following individual fund deficits:

<b><u>Special Revenue:</u></b>	
<b>Food Service</b>	<b>(\$28,670)</b>

The deficit in the Food Service Fund is due to increases in salary and benefit costs which have not been offset by increased prices for lunches (they have remained flat of the last several fiscal years). The District is offering healthier meal options in 2007 which will lead to increased participation. Also, for the first time in the District implemented an increase in meal prices commencing September 1, 2007 (by 25 cents). During fiscal year 2008, the District will be studying various options to control costs.

**Note 4 - Budgetary Basis of Accounting**

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

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

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

	<u>General</u>	<u>Consortium</u>
GAAP Basis	\$4,877,843	\$0
Net adjustments for revenue accruals	(1,307,988)	184,777
Net adjustments for expenditure accruals	352,753	(107,025)
Encumbrances Outstanding at Year End (Budget Basis)	<u>(428,629)</u>	<u>(23,908)</u>
Budget Basis	<u>\$3,493,979</u>	<u>\$53,844</u>

**Note 5 - Deposits and Investments**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

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

**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".

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

**Deposits**

At fiscal year end, the carrying amount of the School District's deposits was \$2,167,352. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2007, \$2,080,366 of the District's bank balance of \$2,526,708 was exposed to custodial risk as discussed below, while \$446,342 was covered by Federal Deposit Insurance Corporation. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

**Investments**

As of June 30, 2007, the School District had the following investments. All investments are in an internal investment pool.

	<u>Fair Value</u>	<u>Maturity</u>
Federal National Mortgage Assoc. Disc notes	\$597,594	7/27/07
Federal Home Loan Mortgage Corp. Disc notes	993,544	08/13/07
Federal National Mortgage Assoc. Disc notes	496,494	08/17/07
Federal Home Loan Mortgage Corp. Disc notes	988,280	09/18/07
Federal National Mortgage Assoc. Disc notes	492,493	10/11/07
Federal Home Loan Mortgage Corp. Disc notes	981,437	11/06/07
Federal Home Loan Mortgage Corp. Disc notes	2,250,885	11/26/07
JP Morgan Banker's Acceptance	431,986	7/17/07
JP Morgan Banker's Acceptance	592,921	9/21/07
JP Morgan Banker's Acceptance	716,345	11/16/07
Star Ohio	1,139,527	33 days
<b>Total</b>	<b>\$9,681,506</b>	

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**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**

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

**Custodial Credit Risk**

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

**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 Mortgage Discount Notes represents 70.2%, Banker's Acceptances represents 18% with STAR Ohio representing 11.8% of the School District's total investments.

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the school district. Real property tax revenue received in calendar year 2007 represents collections of calendar year 2006 taxes. Real property taxes received in calendar year 2006 were levied after April 1, 2006, on the assessed value listed as of January 1, 2006, 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



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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 2007 represents collections of calendar year 2006 taxes. Public utility real and tangible personal property taxes received in calendar year 2007 become a lien December 31, 2005, were levied after April 1, 2006 and are collected in 2007 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2005. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The Cuyahoga County Treasurer collects property taxes on behalf of the District. The County Auditors periodically advance to the School District its portion of the taxes collected. These tax "advances" are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the Counties by June 30, 2007, are available to finance fiscal year 2007 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, 2007 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, 2007 was \$4,605,460 for the General Fund, \$583,992 in the Bond Retirement Fund, and \$128,018 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2007 taxes were collected are:

	2006 Second- Half Collections		2007 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$329,753,300	44.30%	\$361,042,680	45.91%
Industrial/Commercial	349,916,770	47.01	371,659,600	47.25
Public Utility	13,661,700	1.84	12,723,490	1.62
Tangible Personal	50,996,952	6.85	41,047,066	5.22
<b>Total Assessed Value</b>	<b>\$744,328,722</b>	<b>100.00%</b>	<b>\$786,472,836</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$83.50		\$82.30	

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

**Note 7 - Receivables**

Receivables at June 30, 2007, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

**Note 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Balance at 6/30/06	Additions	Reductions	Balance at 6/30/07
Governmental Activities Capital Assets, not being depreciated:				
Land	\$831,499	\$0	\$0	\$831,499
Capital Assets, being depreciated:				
Land Improvements	2,643,492	0	0	2,643,492
Buildings and Buildings Improvements	38,187,115	436,265	211,050	38,412,330
Vehicles	1,637,100	199,483	32,359	1,804,224
Equipment	4,950,028	520,503	228,733	5,241,798
Totals at Historical Cost	<u>47,417,735</u>	<u>1,156,251</u>	<u>472,142</u>	<u>48,101,844</u>
Less Accumulated Depreciation:				
Land Improvements	825,507	91,280	1	916,786
Buildings and Building Improvements	11,458,779	992,687	151,747	12,299,719
Vehicles	1,089,726	125,842	30,439	1,185,129
Equipment	4,042,594	433,424	175,265	4,300,753
Total Accumulated Depreciation	<u>17,416,606</u>	<u>1,643,233</u>	<u>357,452</u>	<u>18,702,387</u>
Total Capital Assets, being Depreciated, Net	<u>30,001,129</u>	<u>(486,982)</u>	<u>(114,690)</u>	<u>29,399,457</u>
Governmental Activities Capital Assets, Net	<u>\$30,832,628</u>	<u>(\$486,982)</u>	<u>(\$114,690)</u>	<u>\$30,230,956</u>

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$836,412
Special	43,529
Adult	1,030
Vocational	20,865
Other	15,952
Support Services:	
Pupil	13,994
Instructional Staff	69,207
Board of Education	22,935
Administration	27,095
Fiscal	4,492
Business	8,039
Operation and Maintenance of Plant	131,984
Pupil Transportation	134,186
Central	216,594
Extra-curricular activities	36,877
Food service operations	53,135
Community	6,907
	<hr/>
Total Depreciation Expense	<u><u>\$1,643,233</u></u>

**Note 9 – Inter-fund Transactions**

As of June 30, 2007, on the fund financial statements, the Consortium fund owed the General Fund \$672,905.

During the year ended June 30, 2007, the General Fund transferred \$315,000 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 10 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2006, the School District contracted with Indiana Insurance for property, general liability insurance and boiler and machinery coverage in the amounts of \$55,822,362, \$2,000,000, and \$30,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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Umbrella Liability insurance and Excess Umbrella Liability insurance are covered by Indiana Insurance and Crum & Forster with a \$10,000,000 single occurrence limit on both policies and no deductibles unless a claim doesn't fall under an underlying policy which would create the need for a \$10,000 self insured retainer. Vehicles are also covered by Indiana Insurance and have a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit, \$5,000 medical payments, and \$50,000 uninsured motorists. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

**B. Worker's Compensation**

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

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

**C. Self-Insurance Program**

The self-insurance program for dental and prescription drug claims of District employees and their covered dependents has been administered by Medical Mutual beginning September 1, 2006. Self insured vision claims are administered by Vision Service Plan (VSP). Under the program, the School District is obligated for claim payments. During fiscal year 2007, total claims expense of \$675,154 was recognized, which represents actual claims processed and paid as of June 30, 2007. Individual funds are charged for medical expenses based on an estimate of total cost for the School District as prepared by the plan

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

administrator, and are recorded as revenues of the Internal Service Fund. Changes for the aggregate liability for claims for the current and past fiscal years are as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Claims</u> <u>Incurred</u>	<u>Claims Paid</u>	<u>Ending</u> <u>Balance</u>
2005	\$0	\$74,319	\$74,319	\$0
2006	\$0	\$82,000	\$82,000	\$0
2007	0\$	\$758,354	\$675,154	\$83,200

**Note 11 - Defined Benefit Pension Plans**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at [ohsers.org](http://ohsers.org).

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.68 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$653,216, \$610,007, and \$650,581, respectively; 90 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005.

**B. State Teachers Retirement System**

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio web site at [www.strsoh.org](http://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 member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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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 Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2007, 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 2006, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2007, 2006, and 2005, were \$1,668,832, \$1,601,322, and \$1,656,428, respectively; 95 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. Contributions to the DC and Combined Plans for fiscal year 2007 were \$20,836.76 made by the School District and \$49,389.41 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System of the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2007, two members of the Board of Education have selected Social Security. The Board's liability is 6.2 percent of wages paid.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**Note 12 – Post-employment Benefits**

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$128,372 for fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS Ohio were \$282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll, compared to 3.42 percent of covered payroll for fiscal year 2006. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2007 fiscal year equaled \$249,162.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available) were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants eligible to receive health care benefits.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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**Note 13 - Employee Benefits**

**A. Compensated Absences**

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

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

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

**B. Health Care Benefits**

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

**Note 14 – Long-Term Obligations**

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



*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

	Principal Outstanding 6/30/06	Additions	Reduction	Principal Outstanding 6/30/07	Amounts Due in One Year
<b>Governmental Activities</b>					
Long-Term Notes Payable					
2000 Tax Anticipation Notes 4.8%- 5.3%	\$3,435,000	\$0	\$620,000	\$2,815,000	\$650,000
Total Long-Term Notes Payable	3,435,000	0	620,000	2,815,000	650,000
<b>General Obligation Bonds</b>					
2002 School Improvement Premium	402,731	0	25,171	377,560	25,171
2002 Unamortized Accounting Gain	157,430	0	9,261	148,169	9,261
2002 School Improvement 2.0%- 5.25%	14,442,552	0	1,230,737	13,211,815	390,684
Total General Obligation Bonds	15,002,713	0	1,265,169	13,737,544	425,116
Capital Lease	216,448	413,152	295,476	334,124	196,604
Compensated Absences Payable	2,701,007	74,761	210,059	2,565,709	365,058
Total Governmental Long-Term Liabilities	2,917,455	487,913	505,535	2,899,833	561,662
Total Long-Term Liabilities	\$21,355,168	\$487,913	\$2,390,704	\$19,452,377	\$1,636,778

**Long-Term Tax Anticipation Notes** On June 29, 2000, the School District issued \$6,000,000, 4.8%-5.3% tax anticipation notes maturing on December 1, 2010. These tax anticipation notes were issued to fund various school improvements and will be paid from property taxes.

**General Obligation Bonds** On May 1, 1991, the School District issued \$6,000,000 general obligation bonds with an interest rate of 4.8-7.05%, maturity date on December 1, 2006 for the purpose of school improvement. These bonds were advanced refunded and re-issued along with the new general obligation bonds that were issued on November 1, 2002. The District issued \$18,814,982 general obligation bonds with an interest rate of 2.0-5.25%, maturity date December 1, 2022. A portion of the general obligation bond proceeds were used to refund \$3,065,000 of the 1991 various improvement bonds. The \$3,065,000 portion was paid in full December 1, 2006 which reduced the District's debt levy by 1.2 mills annually.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

All bonds outstanding are general obligation of the District for which the full faith and credit of the District are pledged for repayment. General obligation bonds are to be repaid from a current 1.8 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Debt Service Fund.

**Capital Leases** During fiscal year 2004, the District entered into a capital lease for computers in the amount of \$583,199 at an interest rate of 5.33%. During fiscal year 2005, the District entered into a capital lease for computers in the amount of \$268,329 at an interest rate of 3.18%. During fiscal year 2006, the District entered into a capital lease for computers in the amount of \$203,684 at an interest rate of 2.90%. During fiscal year 2007, the District entered into a capital lease for computers in the amount of \$413,152 at an interest rate of 2.9%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net assets. The capital lease will be repaid from the General fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2007.

Fiscal Year Beginning June 30	Governmental Activities		
	General Fund	Building	Total
2008	\$218,782	\$0	\$218,782
2009	146,844	0	146,844
Total Minimum Lease Payments	\$365,626	\$0	\$365,626
Less Amount Representing Interest	(31,502)	0	(31,502)
Present Value of Lease Payments	<u>\$334,124</u>	<u>0</u>	<u>\$334,124</u>
Capital Assets at Cost:	\$1,099,438	\$583,199	\$1,682,637
Less: Accumulated Depreciation	(539,375)	(466,559)	(1,005,934)
Net Book Value	<u>\$560,063</u>	<u>\$116,640</u>	<u>\$676,703</u>

The premium on bonds will be amortized over twenty years. Compensated absences will be paid from the funds from which the employee's salaries are paid.

The School District's overall voted debt margin was \$57,422,571 with an un-voted debt margin of \$786,473 at June 30, 2007.

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2007, were as follows:

Fiscal Year Ending June 30, 2007	Long-Term Notes Payable		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$650,000	\$130,438	\$399,984	\$833,816	\$196,604	\$22,178	\$1,246,588	\$986,432
2009	685,000	95,890	645,000	579,124	137,520	9,324	1,467,520	684,338
2010	720,000	59,180	665,000	558,478	0	0	1,385,000	617,658
2011	760,000	20,140	690,000	535,258	0	0	1,450,000	555,398
2012	0	0	715,000	509,783	0	0	715,000	509,783
2013-2017	0	0	4,000,000	2,094,693	0	0	4,000,000	2,094,693
2018-2022	0	0	6,245,000	1,058,623	0	0	6,245,000	1,058,623
Total	<u>\$2,815,000</u>	<u>\$305,648</u>	<u>\$13,359,984</u>	<u>\$6,169,775</u>	<u>\$334,124</u>	<u>\$31,502</u>	<u>\$16,509,108</u>	<u>\$6,506,925</u>

**Note 15 - Set-Asides**

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

The following cash basis information identifies the changes in the year-end set-aside amounts for textbooks, capital improvements, and budget stabilization during fiscal year 2007. Disclosure of this information is required by State Statute.

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside Reserve Balances as of June 30, 2006	\$0	\$0	\$134,873
Set-aside Balance Carried Forward	(2,322,129)	0	0
Current Year Set-Aside Requirement	237,710	237,710	0
Qualifying Disbursement	<u>(843,012)</u>	<u>(678,531)</u>	<u>0</u>
Total	<u>(\$2,927,431)</u>	<u>(\$440,821)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>(\$2,927,431)</u>	\$0	\$0
Set-aside Reserve Balance as of June 30, 2007	<u>\$0</u>	<u>\$0</u>	<u>\$134,873</u>

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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

**Note 16 – Jointly Governed Organizations**

*Ohio Schools' Council Association* - The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-two school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2007, the School District paid \$895,317 to the Council. Financial information can be obtained by contacting Dave Cotrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The

*Beachwood City School District*  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contribution to the operating fund, which are not encumbered for its share of program administrative costs.

*Lake Geauga Computer Association* - The Lake Geauga Computer Association ("LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$53,745 to LGCA during fiscal year 2007.

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

**Note 17 - Contingencies**

**A. Grants**

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

**B. Litigation**

The School District was named as a defendant in several court cases during the period ended June 30, 2007. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further that the School District has adequate insurance coverage to protect itself against any material loss.

**Note 18 – Subsequent Events**

On July 11, 2007, the District advanced refunded \$6,245,000 in outstanding bonds at an interest rates of 4.0 – 4.187% which was a net present value savings of \$247,906 (3.97%). In the process of advance refunding the District's debt, Moody's upgraded the District to Aa1 from Aa2, which places The School District among the smallest sized credits in the country and only among three in the State of Ohio to achieve this level of debt rating.

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

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

### Nonmajor Capital Projects Fund

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

Building Fund - This fund is used to account for the receipts and expenditures related to all special bond funds in the district.

### Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

## Nonmajor Special Revenue Funds (continued)

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

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

Miscellaneous State Grants - These funds are used to account for various monies received from state agencies which are not classified elsewhere.

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

Title III (Immigrant) - This fund is to account for money used to educate immigrant children enrolled at Beachwood.

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

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

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

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

E Rate Grant – This fund accounts for the federal revenues used to support internet connectivity.

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

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

## 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 Funds*  
*June 30, 2007*

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
<b>ASSETS:</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 19,883	\$ 504,862	\$ 524,745
Materials and Supplies Inventory		6,760	6,760
Accounts Receivable		2,191	2,191
<i>Total Assets</i>	<u>\$ 19,883</u>	<u>\$ 513,813</u>	<u>\$ 533,696</u>
<b>LIABILITIES:</b>			
Accounts Payable		1,187	1,187
Accrued Wages and Benefits		96,491	96,491
Intergovernmental Payable		21,378	21,378
Undistributed Monies		9,630	9,630
Deferred Revenue	0	1,059	1,059
<i>Total Liabilities</i>	<u>0</u>	<u>129,745</u>	<u>129,745</u>
<b>Equity:</b>			
<b>FUND BALANCES:</b>			
<b>Reserved:</b>			
Reserved for Encumbrances	5,470	33,434	38,904
<b>Unreserved, Undesignated, Reported in:</b>			
Special Revenue Funds		350,634	350,634
Capital Projects Funds	14,413		14,413
<i>Total Fund Balances</i>	<u>19,883</u>	<u>384,068</u>	<u>403,951</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 19,883</u>	<u>\$ 513,813</u>	<u>\$ 533,696</u>

**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 855,743	\$ 855,743
Interest	408	4,003	4,411
Tuition and Fees		510,762	510,762
Extracurricular Activities		46,028	46,028
Gifts and Donations		8,733	8,733
Customer Sales and Services		634,091	634,091
<i>Total Revenues</i>	<u>408</u>	<u>2,059,360</u>	<u>2,059,768</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular	2,704	47,486	50,190
Special		213,010	213,010
Vocational		7,712	7,712
Adult/Continuing		248,336	248,336
Other		408,660	408,660
Support Services:			
Pupils		202,411	202,411
Instructional Staff		78,890	78,890
Administration		8,117	8,117
Fiscal		2,468	2,468
Central		44,313	44,313
Operation of Non-Instructional Services:			
Food Service Operations		648,511	648,511
Community Services		289,481	289,481
Extracurricular Activities		140,115	140,115
Capital Outlay:			
Building Improvement Services	9,097		9,097
Other Facilities Acquisition and Construction	60,777		60,777
<i>Total Expenditures</i>	<u>72,578</u>	<u>2,339,510</u>	<u>2,412,088</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(72,170)</u>	<u>(280,150)</u>	<u>(352,320)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	0	315,000	315,000
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>315,000</u>	<u>315,000</u>
<i>Net Change in Fund Balances</i>	(72,170)	34,850	(37,320)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>92,053</u>	<u>349,218</u>	<u>441,271</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 19,883</u>	<u>\$ 384,068</u>	<u>\$ 403,951</u>

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2007*

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Adult Education</u>	<u>Recreation</u>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 6,820	\$ 13,930	\$ 1,493	\$ -	\$ 69,196
Materials and Supplies Inventory	6,760				
Accounts Receivable					
<i>Total Assets</i>	<u>\$ 13,580</u>	<u>\$ 13,930</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>\$ 69,196</u>
<b>LIABILITIES:</b>					
Accounts Payable					51
Accrued Wages and Benefits	35,694				2,533
Intergovernmental Payable	5,497				1,510
Undistributed Monies		9,630			
Deferred Revenue	1,059				
<i>Total Liabilities</i>	<u>42,250</u>	<u>9,630</u>	<u>0</u>	<u>0</u>	<u>4,094</u>
<b>Equity:</b>					
<b>FUND BALANCES:</b>					
<b>Reserved:</b>					
Reserved for Encumbrances	5,142	1,545	0	0	2,146
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	<u>(33,812)</u>	<u>2,755</u>	<u>1,493</u>	<u>0</u>	<u>62,956</u>
<i>Total Fund Balances</i>	<u>(28,670)</u>	<u>4,300</u>	<u>1,493</u>	<u>0</u>	<u>65,102</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 13,580</u>	<u>\$ 13,930</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>\$ 69,196</u>

(continued)

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>	<u>One Net</u>
\$ 43,987	\$ 22,788	\$ 235,792	\$ 50,965	\$ 36,657	\$ 3,137	\$ 3,147	\$ -
		1,663					
<u>\$ 43,987</u>	<u>\$ 22,788</u>	<u>\$ 237,455</u>	<u>\$ 50,965</u>	<u>\$ 36,657</u>	<u>\$ 3,137</u>	<u>\$ 3,147</u>	<u>\$ -</u>
		34,923		761			
		9,481		17,134			
				2,364			
<u>0</u>	<u>0</u>	<u>44,404</u>	<u>0</u>	<u>20,259</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	1,144	879	17,741	0	0	0
<u>43,987</u>	<u>22,788</u>	<u>191,907</u>	<u>50,086</u>	<u>(1,343)</u>	<u>3,137</u>	<u>3,147</u>	<u>0</u>
<u>43,987</u>	<u>22,788</u>	<u>193,051</u>	<u>50,965</u>	<u>16,398</u>	<u>3,137</u>	<u>3,147</u>	<u>0</u>
<u>\$ 43,987</u>	<u>\$ 22,788</u>	<u>\$ 237,455</u>	<u>\$ 50,965</u>	<u>\$ 36,657</u>	<u>\$ 3,137</u>	<u>\$ 3,147</u>	<u>\$ -</u>

(continued)

**Beachwood City Schools**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2007*

	<b>School Net Professional Development</b>	<b>Miscellaneous State Grants</b>	<b>IDEA B</b>	<b>TITLE III (IMMIGRANT)</b>	<b>Title I</b>
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 2,058	\$ 4,447	\$ 1,234	\$ 5,350
Materials and Supplies Inventory					
Accounts Receivable					
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 2,058</b>	<b>\$ 4,447</b>	<b>\$ 1,234</b>	<b>\$ 5,350</b>
<b>LIABILITIES:</b>					
Accounts Payable			375		
Accrued Wages and Benefits			1,575		4,632
Intergovernmental Payable			1,811		639
Undistributed Monies					
Deferred Revenue					
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>3,761</b>	<b>0</b>	<b>5,271</b>
<b>Equity:</b>					
<b>FUND BALANCES:</b>					
<b>Reserved:</b>					
Reserved for Encumbrances	0	0	508	1,233	39
<b>Unreserved, Undesignated, Reported in:</b>					
Special Revenue Funds	0	2,058	178	1	40
<b>Total Fund Balances</b>	<b>0</b>	<b>2,058</b>	<b>686</b>	<b>1,234</b>	<b>79</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 2,058</b>	<b>\$ 4,447</b>	<b>\$ 1,234</b>	<b>\$ 5,350</b>

(continued)

<u>Title V</u>	<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>E-RATE GRANT</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 109	\$ 388	\$ -	\$ 2,603	\$ 35	\$ 726	\$ 504,862
	528					6,760
						2,191
<u>\$ 109</u>	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ 2,603</u>	<u>\$ 35</u>	<u>\$ 726</u>	<u>\$ 513,813</u>
						1,187
	76					96,491
						21,378
						9,630
						1,059
<u>0</u>	<u>76</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,745</u>
110	277	0	2,603	35	32	33,434
(1)	563	0	0	0	694	350,634
<u>109</u>	<u>840</u>	<u>0</u>	<u>2,603</u>	<u>35</u>	<u>726</u>	<u>384,068</u>
<u>\$ 109</u>	<u>\$ 916</u>	<u>\$ -</u>	<u>\$ 2,603</u>	<u>\$ 35</u>	<u>\$ 726</u>	<u>\$ 513,813</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, 2007*

	<u>Food Service</u>	<u>Expendable Trust Funds</u>	<u>Uniform Supplies</u>	<u>Adult Education</u>	<u>Recreation</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 34,751	\$ -	\$ -	\$ -	\$ -
Interest	877	93			
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations		570			
Customer Sales and Services	<u>373,227</u>	<u>50,257</u>			<u>203,244</u>
<i>Total Revenues</i>	<u>408,855</u>	<u>50,920</u>	<u>0</u>	<u>0</u>	<u>203,244</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular					
Special					
Vocational				770	
Adult/Continuing					203,932
Other					
<b>Support Services:</b>					
Pupils		53,690			
Instructional Staff					
Administration					
Fiscal		2,468			
Central					
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations	648,511				
Community Services					
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>648,511</u>	<u>56,158</u>		<u>770</u>	<u>203,932</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(239,656)</u>	<u>(5,238)</u>	<u>0</u>	<u>(770)</u>	<u>(688)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources and Uses</i>	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(24,656)	(5,238)		(770)	(688)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>(4,014)</u>	<u>9,538</u>	<u>1,493</u>	<u>770</u>	<u>65,790</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ (28,670)</u>	<u>\$ 4,300</u>	<u>\$ 1,493</u>	<u>\$ -</u>	<u>\$ 65,102</u>

(continued)

<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Entry Year Grant</u>	<u>One Net</u>
\$ -	\$ -	\$ -	\$ -	\$ 253,670	\$ 5,301	\$ 10,900	\$ 15,000
		510,762		3,033			
3,202			46,028				
	7,363		4,961				
<u>3,202</u>	<u>7,363</u>	<u>510,762</u>	<u>50,989</u>	<u>256,703</u>	<u>5,301</u>	<u>10,900</u>	<u>15,000</u>
25,816	2,940					8,365	
		44,404					
		380,964					
						500	
	984				5,557		15,000
				275,186			
			27,055				
			113,060				
<u>25,816</u>	<u>3,924</u>	<u>425,368</u>	<u>140,115</u>	<u>275,186</u>	<u>5,557</u>	<u>8,865</u>	<u>15,000</u>
<u>(22,614)</u>	<u>3,439</u>	<u>85,394</u>	<u>(89,126)</u>	<u>(18,483)</u>	<u>(256)</u>	<u>2,035</u>	<u>0</u>
<u>0</u>	<u>0</u>		<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(22,614)</u>	<u>3,439</u>	<u>85,394</u>	<u>10,874</u>	<u>(18,483)</u>	<u>(256)</u>	<u>2,035</u>	
<u>66,601</u>	<u>19,349</u>	<u>107,657</u>	<u>40,091</u>	<u>34,881</u>	<u>3,393</u>	<u>1,112</u>	<u>0</u>
<u>\$ 43,987</u>	<u>\$ 22,788</u>	<u>\$ 193,051</u>	<u>\$ 50,965</u>	<u>\$ 16,398</u>	<u>\$ 3,137</u>	<u>\$ 3,147</u>	<u>\$ -</u>

(continued)



**Beachwood City Schools**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2007*

	<u>School Net Professional Development</u>	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>TITLE III (IMMIGRANT)</u>	<u>Title I</u>
<b>REVENUES:</b>					
Intergovernmental	\$ 3,300	\$ 12,778	\$ 367,652	\$ 10,796	\$ 63,369
Interest					
Tuition and Fees					
Extracurricular Activities					
Gifts and Donations					
Customer Sales and Services					
<i>Total Revenues</i>	<u>3,300</u>	<u>12,778</u>	<u>367,652</u>	<u>10,796</u>	<u>63,369</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular		3,778			
Special			130,221	9,562	57,539
Vocational		6,942			
Adult/Continuing					
Other					
<b>Support Services:</b>					
Pupils			145,291		
Instructional Staff			74,690		3,332
Administration			7,617		
Fiscal					
Central	3,618				
<b>Operation of Non-Instructional Services:</b>					
Food Service Operations					
Community Services			8,339		3,260
<b>Extracurricular Activities:</b>					
Academic Oriented Activities					
Sport Oriented Activities					
<i>Total Expenditures</i>	<u>3,618</u>	<u>10,720</u>	<u>366,158</u>	<u>9,562</u>	<u>64,131</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(318)</u>	<u>2,058</u>	<u>1,494</u>	<u>1,234</u>	<u>(762)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	0	0	0	0	0
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(318)	2,058	1,494	1,234	(762)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>318</u>		<u>(808)</u>		<u>841</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ -</u>	<u>\$ 2,058</u>	<u>\$ 686</u>	<u>\$ 1,234</u>	<u>\$ 79</u>

(continued)

<u>Title V</u>	<u>Drug Free Education (Title IV-A)</u>	<u>Preschool Handicapped Grant</u>	<u>E-RATE GRANT - FCC</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue</u>
\$ 2,582	\$ 4,292	\$ 13,357	\$ 21,757	\$ 29,779	\$ 6,459	\$ 855,743
						4,003
						510,762
						46,028
						8,733
						634,091
<u>2,582</u>	<u>4,292</u>	<u>13,357</u>	<u>21,757</u>	<u>29,779</u>	<u>6,459</u>	<u>2,059,360</u>
				1,512	5,075	47,486
2,331		13,357				213,010
						7,712
						248,336
				27,696		408,660
	3,430					202,411
					868	78,890
						8,117
			19,154			2,468
						44,313
						648,511
185	336			2,048	127	289,481
						27,055
						113,060
<u>2,516</u>	<u>3,766</u>	<u>13,357</u>	<u>19,154</u>	<u>31,256</u>	<u>6,070</u>	<u>2,339,510</u>
<u>66</u>	<u>526</u>	<u>0</u>	<u>2,603</u>	<u>(1,477)</u>	<u>389</u>	<u>(280,150)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>315,000</u>
<u>66</u>	<u>526</u>	<u>0</u>	<u>2,603</u>	<u>(1,477)</u>	<u>389</u>	<u>34,850</u>
<u>43</u>	<u>314</u>	<u>0</u>	<u>0</u>	<u>1,512</u>	<u>337</u>	<u>349,218</u>
<u>\$ 109</u>	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 2,603</u>	<u>\$ 35</u>	<u>\$ 726</u>	<u>\$ 384,068</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, 2007**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Retirement</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 174,764	\$ 2,843,636	\$ 2,693,580	\$ 324,820
<b>Total Assets</b>	<u>\$ 174,764</u>	<u>\$ 2,843,636</u>	<u>\$ 2,693,580</u>	<u>\$ 324,820</u>
<b>LIABILITIES:</b>				
Undistributed Monies	\$ 174,764	\$ 2,843,636	\$ 2,693,580	\$ 324,820
<b>Total Liabilities</b>	<u>\$ 174,764</u>	<u>\$ 2,843,636</u>	<u>\$ 2,693,580</u>	<u>\$ 324,820</u>
<b>Student Activities</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 63,646	\$ 63,096	\$ 63,646	\$ 63,096
<b>Total Assets</b>	<u>\$ 63,646</u>	<u>\$ 63,096</u>	<u>\$ 63,646</u>	<u>\$ 63,096</u>
<b>LIABILITIES:</b>				
Due to Students	\$ 63,646	\$ 63,096	\$ 63,646	\$ 63,096
<b>Total Liabilities</b>	<u>\$ 63,646</u>	<u>\$ 63,096</u>	<u>\$ 63,646</u>	<u>\$ 63,096</u>
<b>Totals</b>				
<b>ASSETS:</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 238,410	\$ 2,906,732	\$ 2,757,226	\$ 387,916
<b>Total Assets</b>	<u>\$ 238,410</u>	<u>\$ 2,906,732</u>	<u>\$ 2,757,226</u>	<u>\$ 387,916</u>
<b>LIABILITIES:</b>				
Undistributed Monies	\$ 174,764	\$ 2,843,636	\$ 2,693,580	\$ 324,820
Due to Students	63,646	63,096	63,646	63,096
<b>Total Liabilities</b>	<u>\$ 238,410</u>	<u>\$ 2,906,732</u>	<u>\$ 2,757,226</u>	<u>\$ 387,916</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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive Negative</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 26,398,828	\$ 26,398,828	\$ 26,481,412	\$ 82,584
Intergovernmental	4,231,925	4,231,925	4,467,921	235,996
Interest	550,000	550,000	613,589	63,589
Tuition and Fees	213,232	213,232	437,422	224,190
Rent	263,369	263,369	244,584	(18,785)
Gifts and Donations	75	75	1,000	925
Customer Sales and Services	164,356	164,356	142,992	(21,364)
Miscellaneous	208,500	208,500	221,295	12,795
<b>Total Revenues</b>	<b>32,030,285</b>	<b>32,030,285</b>	<b>32,610,215</b>	<b>579,930</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	7,733,650	7,298,351	7,050,850	247,501
Fringe Benefits	2,405,427	2,235,427	2,179,540	55,887
Purchased Services	195,163	207,063	143,923	63,140
Materials and Supplies	570,227	491,126	443,742	47,384
Other	83,000	76,500	40,030	36,470
Capital Outlay	80,388	102,639	95,794	6,845
Capital Outlay Replacement	1,379	1,379	300	1,079
<b>Total - Regular</b>	<b>11,069,234</b>	<b>10,412,485</b>	<b>9,954,179</b>	<b>458,306</b>
<b>Special</b>				
Salaries	1,994,485	2,000,285	1,975,327	24,958
Fringe Benefits	942,188	962,009	894,765	67,244
Purchased Services	909,011	1,326,011	1,242,966	83,045
Materials and Supplies	35,022	34,722	20,799	13,923
Capital Outlay	8,272	9,272	6,535	2,737
<b>Total - Special</b>	<b>3,888,978</b>	<b>4,332,299</b>	<b>4,140,392</b>	<b>191,907</b>
<b>Vocational</b>				
Purchased Services	365,240	277,300	230,196	47,104
Materials and Supplies	21,454	21,354	10,393	10,961
Other	1,700	1,740	543	1,197
Capital Outlay	100	100	0	100
<b>Total - Vocational</b>	<b>388,494</b>	<b>300,494</b>	<b>241,132</b>	<b>59,362</b>
<b>Other</b>				
Salaries	50,000	118,000	116,581	1,419
Fringe Benefits	73,586	93,586	53,157	40,429
Purchased Services	150,000	130,000	104,479	25,521
<b>Total - Other</b>	<b>273,586</b>	<b>341,586</b>	<b>274,217</b>	<b>67,369</b>
<b>Total - Instruction:</b>	<b>15,620,292</b>	<b>15,386,864</b>	<b>14,609,920</b>	<b>776,944</b>

**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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive Negative</u>
Support Services:				
Pupils				
Salaries	1,077,121	1,109,621	1,085,192	24,429
Fringe Benefits	388,592	359,292	339,308	19,984
Purchased Services	107,392	107,392	90,349	17,043
Materials and Supplies	11,201	11,646	7,208	4,438
Other	500	500	485	15
Capital Outlay	800	1,414	854	560
Capital Outlay Replacement	400	400	400	0
Total - Pupils	<u>1,586,006</u>	<u>1,590,265</u>	<u>1,523,796</u>	<u>66,469</u>
Instructional Staff				
Salaries	503,483	544,483	544,096	387
Fringe Benefits	230,739	209,739	196,800	12,939
Purchased Services	173,471	103,221	72,404	30,817
Materials and Supplies	64,841	62,291	51,941	10,350
Capital Outlay	36,502	36,502	35,483	1,019
Capital Outlay Replacement	207	207	207	0
Total - Instructional Staff	<u>1,009,243</u>	<u>956,443</u>	<u>900,931</u>	<u>55,512</u>
Board of Education				
Salaries	15,290	15,890	15,875	15
Fringe Benefits	1,874	1,874	1,776	98
Purchased Services	307,926	423,426	423,371	55
Materials and Supplies	4,829	3,329	2,867	462
Other	17,570	16,970	16,606	364
Total - Board of Education	<u>347,489</u>	<u>461,489</u>	<u>460,495</u>	<u>994</u>
Administration				
Salaries	1,546,740	1,526,740	1,518,120	8,620
Fringe Benefits	640,019	662,019	656,982	5,037
Purchased Services	170,218	153,398	142,936	10,462
Materials and Supplies	38,145	37,545	21,251	16,294
Other	102,450	102,450	36,720	65,730
Capital Outlay	11,598	15,653	14,022	1,631
Total - Administration	<u>2,509,170</u>	<u>2,497,805</u>	<u>2,390,031</u>	<u>107,774</u>
Fiscal				
Salaries	243,881	224,881	221,606	3,275
Fringe Benefits	84,491	104,491	102,243	2,248
Purchased Services	18,442	19,942	17,351	2,591
Materials and Supplies	5,000	10,600	9,723	877
Other	451,954	522,454	492,034	30,420
Capital Outlay	500	1,200	1,134	66
Total - Fiscal	<u>804,268</u>	<u>883,568</u>	<u>844,091</u>	<u>39,477</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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Business				
Salaries	233,189	233,189	225,882	7,307
Fringe Benefits	105,497	105,497	102,392	3,105
Purchased Services	181,318	205,318	148,217	57,101
Materials and Supplies	19,891	19,891	0	19,891
Other	1,228	1,228	0	1,228
Capital Outlay	1,200	1,200	273	927
<b>Total - Business</b>	<u>542,323</u>	<u>566,323</u>	<u>476,764</u>	<u>89,559</u>
Operation and Maintenance of Plant				
Salaries	1,540,656	1,490,656	1,448,340	42,316
Fringe Benefits	573,892	573,892	545,585	28,307
Purchased Services	1,642,406	1,489,006	1,358,467	130,539
Materials and Supplies	215,269	233,269	201,241	32,028
Capital Outlay	15,020	20,420	18,115	2,305
Capital Outlay Replacement	45,207	25,207	20,237	4,970
<b>Total - Operation and Maintenance of Plant</b>	<u>4,032,450</u>	<u>3,832,450</u>	<u>3,591,985</u>	<u>240,465</u>
Pupil Transportation				
Salaries	972,920	1,002,920	993,389	9,531
Fringe Benefits	448,986	447,786	438,489	9,297
Purchased Services	152,988	146,188	124,625	21,563
Materials and Supplies	176,261	202,761	193,734	9,027
Other	500	500	75	425
Capital Outlay	6,000	6,000	4,435	1,565
Capital Outlay Replacement	162,910	174,110	170,413	3,697
<b>Total - Pupil Transportation</b>	<u>1,920,565</u>	<u>1,980,265</u>	<u>1,925,160</u>	<u>55,105</u>
Central				
Salaries	295,803	286,203	265,933	20,270
Fringe Benefits	104,240	103,340	98,060	5,280
Purchased Services	517,079	477,179	444,785	32,394
Materials and Supplies	39,077	48,432	46,165	2,267
Other	500	500	440	60
Capital Outlay	120,329	129,929	127,329	2,600
<b>Total - Central</b>	<u>1,077,028</u>	<u>1,045,583</u>	<u>982,712</u>	<u>62,871</u>
<b>Total - Support Services:</b>	<u>13,828,542</u>	<u>13,814,191</u>	<u>13,095,965</u>	<u>718,226</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	85,263	83,763	83,755	8
Fringe Benefits	14,463	14,963	14,905	58
Other	50	50	0	50
<b>Total - Academic Oriented Activities</b>	<u>99,776</u>	<u>98,776</u>	<u>98,660</u>	<u>116</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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Sport Oriented Activities				
Salaries	519,089	529,589	529,445	144
Fringe Benefits	111,225	111,225	110,641	584
Total - Sport Oriented Activities	<u>630,314</u>	<u>640,814</u>	<u>640,086</u>	<u>728</u>
School and Public Service Co-Curricular Activities				
Salaries	35,754	52,754	51,453	1,301
Fringe Benefits	5,710	8,710	8,324	386
Total - School and Public Service Co-Curricular Activities	<u>41,464</u>	<u>61,464</u>	<u>59,777</u>	<u>1,687</u>
Total - Extracurricular Activities:	<u>771,554</u>	<u>801,054</u>	<u>798,523</u>	<u>2,531</u>
Total Expenditures	<u>30,220,388</u>	<u>30,002,109</u>	<u>28,504,408</u>	<u>1,497,701</u>
Excess of Revenues Over (Under) Expenditures	<u>1,809,897</u>	<u>2,028,176</u>	<u>4,105,807</u>	<u>2,077,631</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Proceeds from Sale of Capital Assets	18,572	18,572	18,622	50
Transfers Out	(450,200)	(375,200)	(315,450)	59,750
Advances Out	(25,000)	(315,000)	(315,000)	0
Total Other Financing Sources and Uses	<u>(456,628)</u>	<u>(671,628)</u>	<u>(611,828)</u>	<u>59,800</u>
Net Change in Fund Balances	1,353,269	1,356,548	3,493,979	2,137,431
Fund Balance (Deficit) at Beginning of Year	3,652,125	3,652,125	3,652,125	0
Prior Year Encumbrances Appropriated	299,042	299,042	299,042	0
Fund Balance (Deficit) at End of Year	<u>\$5,304,436</u>	<u>\$5,307,715</u>	<u>\$7,445,146</u>	<u>\$ 2,137,431</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget/ Positive (Negative)</u>
<b>REVENUES:</b>			
Property and Other Local Taxes	\$ 2,412,638	\$ 2,416,760	\$ 4,122
Intergovernmental	152,601	164,863	12,262
<b>Total Revenues</b>	<u>2,565,239</u>	<u>2,581,623</u>	<u>16,384</u>
<b>EXPENDITURES:</b>			
Debt Service:			
Principal			
Principal Retirement	1,859,998	1,859,998	0
<b>Total - Principal</b>	<u>1,859,998</u>	<u>1,859,998</u>	<u>0</u>
Interest			
Interest and Fiscal Charges	1,009,662	1,009,662	0
<b>Total - Interest</b>	<u>1,009,662</u>	<u>1,009,662</u>	<u>0</u>
Advance Refunding Escrow			
Payments to escrow agents	3,600	0	3,600
<b>Total - Advance Refunding Escrow</b>	<u>3,600</u>	<u>0</u>	<u>3,600</u>
<b>Total - Debt Service:</b>	<u>2,873,260</u>	<u>2,869,660</u>	<u>3,600</u>
<b>Total Expenditures</b>	<u>2,873,260</u>	<u>2,869,660</u>	<u>3,600</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(308,021)</u>	<u>(288,037)</u>	<u>19,984</u>
<b>Net Change in Fund Balances</b>	<u>(308,021)</u>	<u>(288,037)</u>	<u>19,984</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>1,341,355</u>	<u>1,341,355</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u><u>\$1,033,334</u></u>	<u><u>\$1,053,318</u></u>	<u><u>\$ 19,984</u></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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property and Other Local Taxes	\$ 605,751	\$ 613,603	\$ 7,852
Intergovernmental	77,005	76,677	(328)
Interest	0	2,945	2,945
<b>Total Revenues</b>	<b>682,756</b>	<b>693,225</b>	<b>10,469</b>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant			
Purchased Services	175,000	164,748	10,252
Capital Outlay	31,000	30,594	406
<b>Total - Operation and Maintenance of Plant</b>	<b>206,000</b>	<b>195,342</b>	<b>10,658</b>
<b>Total - Support Services:</b>	<b>206,000</b>	<b>195,342</b>	<b>10,658</b>
Capital Outlay:			
Other Facilities Acquisition and Construction			
Capital Outlay	443,000	438,985	4,015
<b>Total - Other Facilities Acquisition and Construction</b>	<b>443,000</b>	<b>438,985</b>	<b>4,015</b>
<b>Total - Capital Outlay:</b>	<b>443,000</b>	<b>438,985</b>	<b>4,015</b>
<b>Total Expenditures</b>	<b>649,000</b>	<b>634,327</b>	<b>14,673</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>33,756</b>	<b>58,898</b>	<b>25,142</b>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Advances In	315,000	315,000	0
<b>Total Other Financing Sources and Uses</b>	<b>315,000</b>	<b>315,000</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>348,756</b>	<b>373,898</b>	<b>25,142</b>
Fund Balance (Deficit) at Beginning of Year	36,231	36,231	0
Prior Year Encumbrances Appropriated	20,883	20,883	0
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$405,870</b>	<b>\$431,012</b>	<b>\$ 25,142</b>

**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, 2007*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 598,401	\$ 598,401	\$ 518,217	\$ (80,184)
Tuition and Fees	2,097,000	2,097,000	2,159,378	62,378
Customer Sales and Services	3,500	3,500	17,529	14,029
<b>Total Revenues</b>	<u>2,698,901</u>	<u>2,698,901</u>	<u>2,695,124</u>	<u>(3,777)</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Special				
Salaries	1,123,721	970,221	786,826	183,395
Fringe Benefits	363,753	303,678	258,154	45,524
Purchased Services	72,039	73,701	47,709	25,992
Materials and Supplies	22,281	22,356	14,215	8,141
Capital Outlay	4,107	8,107	5,322	2,785
Capital Outlay Replacement	8,059	8,059	6,175	1,884
<b>Total - Special</b>	<u>1,593,960</u>	<u>1,386,122</u>	<u>1,118,401</u>	<u>267,721</u>
Vocational				
Salaries	578,862	564,962	402,382	162,580
Fringe Benefits	200,790	194,890	130,781	64,109
Purchased Services	49,925	44,525	30,023	14,502
Materials and Supplies	61,238	76,838	63,331	13,507
Other	451	491	328	163
Capital Outlay	13,713	13,213	9,723	3,490
<b>Total - Vocational</b>	<u>904,979</u>	<u>894,919</u>	<u>636,568</u>	<u>258,351</u>
<b>Total - Instruction:</b>	<u>2,498,939</u>	<u>2,281,041</u>	<u>1,754,969</u>	<u>526,072</u>
Support Services:				
Pupils				
Salaries	721,556	730,856	619,951	110,905
Fringe Benefits	311,141	311,741	243,375	68,366
Purchased Services	22,628	25,628	22,700	2,928
Materials and Supplies	316	316	0	316
<b>Total - Pupils</b>	<u>1,055,641</u>	<u>1,068,541</u>	<u>886,026</u>	<u>182,515</u>
Central				
Materials and Supplies	1,440	1,440	285	1,155
<b>Total - Central</b>	<u>1,440</u>	<u>1,440</u>	<u>285</u>	<u>1,155</u>
<b>Total - Support Services:</b>	<u>1,057,081</u>	<u>1,069,981</u>	<u>886,311</u>	<u>183,670</u>
<b>Total Expenditures</b>	<u>3,556,020</u>	<u>3,351,022</u>	<u>2,641,280</u>	<u>709,742</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(857,119)</u>	<u>(652,121)</u>	<u>53,844</u>	<u>705,965</u>
<b>Net Change in Fund Balances</b>	<u>(857,119)</u>	<u>(652,121)</u>	<u>53,844</u>	<u>705,965</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>1,140,268</u>	<u>1,140,268</u>	<u>1,140,268</u>	<u>0</u>
<b>Prior Year Encumbrances Appropriated</b>	<u>4,583</u>	<u>4,583</u>	<u>4,583</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 287,732</u>	<u>\$492,730</u>	<u>\$1,198,695</u>	<u>\$ 705,965</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Interest	\$ 200	\$ 408	\$ 208
Total Revenues	<u>200</u>	<u>408</u>	<u>208</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Purchased Services	2,000	757	1,243
Capital Outlay	<u>3,700</u>	<u>3,431</u>	<u>269</u>
Total - Regular	<u>5,700</u>	<u>4,188</u>	<u>1,512</u>
Total - Instruction:	<u>5,700</u>	<u>4,188</u>	<u>1,512</u>
Capital Outlay:			
Building Improvement Services			
Capital Outlay	<u>19,000</u>	<u>14,567</u>	<u>4,433</u>
Total - Building Improvement Services	<u>19,000</u>	<u>14,567</u>	<u>4,433</u>
Other Facilities Acquisition and Construction			
Capital Outlay	<u>61,300</u>	<u>60,777</u>	<u>523</u>
Total - Other Facilities Acquisition and Construction	<u>61,300</u>	<u>60,777</u>	<u>523</u>
Total - Capital Outlay:	<u>80,300</u>	<u>75,344</u>	<u>4,956</u>
Total Expenditures	<u>86,000</u>	<u>79,532</u>	<u>6,468</u>
Excess of Revenues Over (Under) Expenditures	<u>(85,800)</u>	<u>(79,124)</u>	<u>6,676</u>
Net Change in Fund Balances	(85,800)	(79,124)	6,676
Fund Balance (Deficit) at Beginning of Year	85,920	85,920	0
Prior Year Encumbrances Appropriated	<u>7,618</u>	<u>7,618</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$7,738</u>	<u>\$14,414</u>	<u>\$ 6,676</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Intergovernmental	\$ 37,000	\$ 34,751	\$ (2,249)
Interest	2,500	877	(1,623)
Customer Sales and Services	416,500	373,241	(43,259)
<b>Total Revenues</b>	<u>456,000</u>	<u>408,869</u>	<u>(47,131)</u>
<b>EXPENDITURES:</b>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations			
Salaries	245,711	245,705	6
Fringe Benefits	156,015	155,970	45
Purchased Services	12,794	12,794	0
Materials and Supplies	223,160	223,133	27
Capital Outlay	2,640	2,640	0
<b>Total - Food Service Operations</b>	<u>640,320</u>	<u>640,242</u>	<u>78</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>640,320</u>	<u>640,242</u>	<u>78</u>
<b>Total Expenditures</b>	<u>640,320</u>	<u>640,242</u>	<u>78</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(184,320)</u>	<u>(231,373)</u>	<u>(47,053)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	210,000	215,000	5,000
<b>Total Other Financing Sources and Uses</b>	<u>210,000</u>	<u>215,000</u>	<u>5,000</u>
<b>Net Change in Fund Balances</b>	25,680	(16,373)	(42,053)
Fund Balance (Deficit) at Beginning of Year	17,818	17,818	0
Prior Year Encumbrances Appropriated	232	232	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$43,730</u>	<u>\$1,677</u>	<u>\$ (42,053)</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	\$ 60	\$ 93	\$ 33
Gifts and Donations	50	570	520
Customer Sales and Services	90,500	50,257	(40,243)
<b>Total Revenues</b>	<u>90,610</u>	<u>50,920</u>	<u>(39,690)</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Pupils			
Materials and Supplies	500	150	350
Other	79,075	53,540	25,535
<b>Total - Pupils</b>	<u>79,575</u>	<u>53,690</u>	<u>25,885</u>
Fiscal			
Purchased Services	4,450	3,098	1,352
Other	1,000	915	85
<b>Total - Fiscal</b>	<u>5,450</u>	<u>4,013</u>	<u>1,437</u>
<b>Total - Support Services:</b>	<u>85,025</u>	<u>57,703</u>	<u>27,322</u>
<b>Total Expenditures</b>	<u>85,025</u>	<u>57,703</u>	<u>27,322</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>5,585</u>	<u>(6,783)</u>	<u>(12,368)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers Out	(4,000)	0	4,000
<b>Total Other Financing Sources and Uses</b>	<u>(4,000)</u>	<u>0</u>	<u>4,000</u>
<b>Net Change in Fund Balances</b>	1,585	(6,783)	(8,368)
<b>Fund Balance (Deficit) at Beginning of Year</b>	18,011	18,011	0
<b>Prior Year Encumbrances Appropriated</b>	1,154	1,154	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$20,750</u>	<u>\$12,382</u>	<u>\$ (8,368)</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, 2007*

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</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*  
*Adult Education*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Customer Sales and Services	\$ 530	\$ -	\$ (530)
Total Revenues	<u>530</u>	<u>0</u>	<u>(530)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Vocational			
Materials and Supplies	<u>770</u>	<u>770</u>	<u>0</u>
Total - Vocational	<u>770</u>	<u>770</u>	<u>0</u>
Total - Instruction:	<u>770</u>	<u>770</u>	<u>0</u>
Total Expenditures	<u>770</u>	<u>770</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(240)</u>	<u>(770)</u>	<u>(530)</u>
Net Change in Fund Balances	(240)	(770)	(530)
Fund Balance (Deficit) at Beginning of Year	239	239	0
Prior Year Encumbrances Appropriated	<u>531</u>	<u>531</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 530</u>	<u>\$ -</u>	<u>\$ (530)</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Customer Sales and Services	\$ 288,400	\$ 203,244	\$ (85,156)
Total Revenues	<u>288,400</u>	<u>203,244</u>	<u>(85,156)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Adult/Continuing			
Salaries	155,005	128,010	26,995
Fringe Benefits	37,589	21,128	16,461
Purchased Services	64,755	43,766	20,989
Materials and Supplies	36,378	15,084	21,294
Other	2,100	0	2,100
Capital Outlay	500	0	500
Total - Adult/Continuing	<u>296,327</u>	<u>207,988</u>	<u>88,339</u>
Total - Instruction:	<u>296,327</u>	<u>207,988</u>	<u>88,339</u>
Total Expenditures	<u>296,327</u>	<u>207,988</u>	<u>88,339</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,927)</u>	<u>(4,744)</u>	<u>3,183</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Advances In	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total Other Financing Sources and Uses	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Net Change in Fund Balances	(2,927)	(4,744)	(1,817)
Fund Balance (Deficit) at Beginning of Year	67,867	67,867	0
Prior Year Encumbrances Appropriated	<u>3,929</u>	<u>3,929</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 68,869</u>	<u>\$ 67,052</u>	<u>\$ (1,817)</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Gifts and Donations	\$ 12,950	\$ 3,222	\$ (9,728)
Total Revenues	<u>12,950</u>	<u>3,222</u>	<u>(9,728)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Purchased Services	5,135	4,855	280
Materials and Supplies	22,640	12,218	10,422
Capital Outlay	12,125	8,743	3,382
Total - Regular	<u>39,900</u>	<u>25,816</u>	<u>14,084</u>
Total - Instruction:	<u>39,900</u>	<u>25,816</u>	<u>14,084</u>
Total Expenditures	<u>39,900</u>	<u>25,816</u>	<u>14,084</u>
Excess of Revenues Over (Under) Expenditures	<u>(26,950)</u>	<u>(22,594)</u>	<u>4,356</u>
Net Change in Fund Balances	(26,950)	(22,594)	4,356
Fund Balance (Deficit) at Beginning of Year	<u>66,580</u>	<u>66,580</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 39,630</u>	<u>\$ 43,986</u>	<u>\$ 4,356</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Gifts and Donations	\$ 1,000	\$ -	\$ (1,000)
Customer Sales and Services	11,500	7,363	(4,137)
Miscellaneous	1,000	0	(1,000)
<b>Total Revenues</b>	<u>13,500</u>	<u>7,363</u>	<u>(6,137)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular			
Salaries	1,250	120	1,130
Fringe Benefits	168	0	168
Purchased Services	1,000	1,000	0
Materials and Supplies	4,815	820	3,995
Other	3,000	1,000	2,000
Capital Outlay	4,500	0	4,500
<b>Total - Regular</b>	<u>14,733</u>	<u>2,940</u>	<u>11,793</u>
<b>Total - Instruction:</b>	<u>14,733</u>	<u>2,940</u>	<u>11,793</u>
<b>Support Services:</b>			
Pupils			
Purchased Services	839	0	839
Other	328	0	328
<b>Total - Pupils</b>	<u>1,167</u>	<u>0</u>	<u>1,167</u>
Administration			
Purchased Services	2,500	0	2,500
<b>Total - Administration</b>	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Central			
Capital Outlay	3,756	984	2,772
<b>Total - Central</b>	<u>3,756</u>	<u>984</u>	<u>2,772</u>
<b>Total - Support Services:</b>	<u>7,423</u>	<u>984</u>	<u>6,439</u>
<b>Total Expenditures</b>	<u>22,156</u>	<u>3,924</u>	<u>18,232</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(8,656)</u>	<u>3,439</u>	<u>12,095</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	5,000	0	(5,000)
<b>Total Other Financing Sources and Uses</b>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
<b>Net Change in Fund Balances</b>	<u>(3,656)</u>	<u>3,439</u>	<u>7,095</u>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<u>19,348</u>	<u>19,348</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 15,692</u>	<u>\$ 22,787</u>	<u>\$ 7,095</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Tuition and Fees	\$ 476,100	\$ 511,670	\$ 35,570
Total Revenues	<u>476,100</u>	<u>511,670</u>	<u>35,570</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Other			
Salaries	289,799	258,315	31,484
Fringe Benefits	137,565	121,806	15,759
Purchased Services	25,811	20,433	5,378
Materials and Supplies	22,704	18,931	3,773
Capital Outlay	2,694	372	2,322
Total - Other	<u>478,573</u>	<u>419,857</u>	<u>58,716</u>
Total - Instruction:	<u>478,573</u>	<u>419,857</u>	<u>58,716</u>
Total Expenditures	<u>478,573</u>	<u>419,857</u>	<u>58,716</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,473)</u>	<u>91,813</u>	<u>94,286</u>
Net Change in Fund Balances	(2,473)	91,813	94,286
Fund Balance (Deficit) at Beginning of Year	142,485	142,485	0
Prior Year Encumbrances Appropriated	<u>350</u>	<u>350</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$140,362</u>	<u>\$234,648</u>	<u>\$ 94,286</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Extracurricular Activities	\$ 84,300	\$ 46,148	\$ (38,152)
Gifts and Donations	2,000	4,961	2,961
<b>Total Revenues</b>	<b>86,300</b>	<b>51,109</b>	<b>(35,191)</b>
<b>EXPENDITURES:</b>			
Current:			
Extracurricular Activities:			
Academic Oriented Activities			
Purchased Services	41,885	16,118	25,767
Materials and Supplies	39,850	10,188	29,662
Other	2,000	1,199	801
<b>Total - Academic Oriented Activities</b>	<b>83,735</b>	<b>27,505</b>	<b>56,230</b>
Sport Oriented Activities			
Purchased Services	73,050	68,247	4,803
Materials and Supplies	37,400	35,516	1,884
Other	1,615	770	845
Capital Outlay	9,400	8,956	444
<b>Total - Sport Oriented Activities</b>	<b>121,465</b>	<b>113,489</b>	<b>7,976</b>
<b>Total - Extracurricular Activities:</b>	<b>205,200</b>	<b>140,994</b>	<b>64,206</b>
<b>Total Expenditures</b>	<b>205,200</b>	<b>140,994</b>	<b>64,206</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(118,900)</b>	<b>(89,885)</b>	<b>29,015</b>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	110,500	100,000	(10,500)
<b>Total Other Financing Sources and Uses</b>	<b>110,500</b>	<b>100,000</b>	<b>(10,500)</b>
<b>Net Change in Fund Balances</b>	<b>(8,400)</b>	<b>10,115</b>	<b>18,515</b>
<b>Fund Balance (Deficit) at Beginning of Year</b>	<b>39,972</b>	<b>39,972</b>	<b>0</b>
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$31,572</b>	<b>\$50,087</b>	<b>\$ 18,515</b>

**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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 259,000	\$ 253,670	\$ (5,330)
Interest	4,000	3,033	(967)
<b>Total Revenues</b>	<u>263,000</u>	<u>256,703</u>	<u>(6,297)</u>
<b>EXPENDITURES:</b>			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Salaries	160,486	154,789	5,697
Fringe Benefits	37,855	34,523	3,332
Purchased Services	23,362	22,913	449
Materials and Supplies	71,924	71,369	555
Capital Outlay	12,470	11,878	592
<b>Total - Community Services</b>	<u>306,097</u>	<u>295,472</u>	<u>10,625</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>306,097</u>	<u>295,472</u>	<u>10,625</u>
<b>Total Expenditures</b>	<u>306,097</u>	<u>295,472</u>	<u>10,625</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(43,097)</u>	<u>(38,769)</u>	<u>4,328</u>
<b>Net Change in Fund Balances</b>	(43,097)	(38,769)	4,328
<b>Fund Balance (Deficit) at Beginning of Year</b>	42,367	42,367	0
<b>Prior Year Encumbrances Appropriated</b>	<u>15,320</u>	<u>15,320</u>	<u>0</u>
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 14,590</u>	<u>\$ 18,918</u>	<u>\$ 4,328</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Management Information Systems*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 5,700	\$ 5,301	\$ (399)
Total Revenues	<u>5,700</u>	<u>5,301</u>	<u>(399)</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Central			
Purchased Services	<u>5,700</u>	<u>5,557</u>	<u>143</u>
Total - Central	<u>5,700</u>	<u>5,557</u>	<u>143</u>
Total - Support Services:	<u>5,700</u>	<u>5,557</u>	<u>143</u>
Total Expenditures	<u>5,700</u>	<u>5,557</u>	<u>143</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(256)</u>	<u>(256)</u>
Net Change in Fund Balances	0	(256)	(256)
Fund Balance (Deficit) at Beginning of Year	<u>3,393</u>	<u>3,393</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 3,393</u>	<u>\$ 3,137</u>	<u>\$ (256)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Entry Year Grant*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 10,900	\$ 10,900	\$ -
Total Revenues	<u>10,900</u>	<u>10,900</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Salaries	6,400	4,765	1,635
Purchased Services	<u>4,000</u>	<u>3,600</u>	<u>400</u>
Total - Regular	<u>10,400</u>	<u>8,365</u>	<u>2,035</u>
Total - Instruction:	<u>10,400</u>	<u>8,365</u>	<u>2,035</u>
Support Services:			
Administration			
Salaries	<u>500</u>	<u>500</u>	<u>0</u>
Total - Administration	<u>500</u>	<u>500</u>	<u>0</u>
Total - Support Services:	<u>500</u>	<u>500</u>	<u>0</u>
Total Expenditures	<u>10,900</u>	<u>8,865</u>	<u>2,035</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>2,035</u>	<u>2,035</u>
Net Change in Fund Balances	0	2,035	2,035
Fund Balance (Deficit) at Beginning of Year	<u>1,112</u>	<u>1,112</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,112</u>	<u>\$ 3,147</u>	<u>\$ 2,035</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, 2007*

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

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*School Net Professional Development*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 3,300	\$ 3,300	\$ -
Total Revenues	<u>3,300</u>	<u>3,300</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Central			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	<u>3,620</u>	<u>3,620</u>	<u>0</u>
Total - Central	<u>3,620</u>	<u>3,620</u>	<u>0</u>
Total - Support Services:	<u>3,620</u>	<u>3,620</u>	<u>0</u>
Total Expenditures	<u>3,620</u>	<u>3,620</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(320)</u>	<u>(320)</u>	<u>0</u>
Net Change in Fund Balances	(320)	(320)	0
Fund Balance (Deficit) at Beginning of Year	<u>320</u>	<u>320</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 12,779	\$ 12,778	\$ (1)
Total Revenues	<u>12,779</u>	<u>12,778</u>	<u>(1)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Regular			
Salaries	2,000	0	2,000
Purchased Services	1,250	1,250	0
Materials and Supplies	<u>2,528</u>	<u>2,528</u>	<u>0</u>
Total - Regular	<u>5,778</u>	<u>3,778</u>	<u>2,000</u>
Vocational			
Purchased Services	2,260	2,208	52
Materials and Supplies	370	370	0
Capital Outlay	<u>4,370</u>	<u>4,364</u>	<u>6</u>
Total - Vocational	<u>7,000</u>	<u>6,942</u>	<u>58</u>
Total - Instruction:	<u>12,778</u>	<u>10,720</u>	<u>2,058</u>
Total Expenditures	<u>12,778</u>	<u>10,720</u>	<u>2,058</u>
Excess of Revenues Over (Under) Expenditures	<u>1</u>	<u>2,058</u>	<u>2,057</u>
Net Change in Fund Balances	1	2,058	2,057
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>\$ 2,058</u>	<u>\$ 2,057</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 373,491	\$ 367,652	\$ (5,839)
<b>Total Revenues</b>	<u>373,491</u>	<u>367,652</u>	<u>(5,839)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	36,103	36,103	0
Fringe Benefits	5,939	5,849	90
Purchased Services	79,859	79,851	8
Materials and Supplies	8,551	8,551	0
<b>Total - Special</b>	<u>130,452</u>	<u>130,354</u>	<u>98</u>
<b>Total - Instruction:</b>	<u>130,452</u>	<u>130,354</u>	<u>98</u>
Support Services:			
Pupils			
Salaries	143,965	143,963	2
Fringe Benefits	25,760	23,957	1,803
Purchased Services	0	0	0
<b>Total - Pupils</b>	<u>169,725</u>	<u>167,920</u>	<u>1,805</u>
Instructional Staff			
Salaries	46,832	46,830	2
Fringe Benefits	29,901	27,860	2,041
<b>Total - Instructional Staff</b>	<u>76,733</u>	<u>74,690</u>	<u>2,043</u>
Administration			
Salaries	6,544	6,544	0
Fringe Benefits	1,076	1,073	3
<b>Total - Administration</b>	<u>7,620</u>	<u>7,617</u>	<u>3</u>
<b>Total - Support Services:</b>	<u>254,078</u>	<u>250,227</u>	<u>3,851</u>
Operation of Non-Instructional Services:			
Community Services			
Salaries	6,543	6,543	0
Fringe Benefits	1,077	1,077	0
Purchased Services	719	719	0
<b>Total - Community Services</b>	<u>8,339</u>	<u>8,339</u>	<u>0</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>8,339</u>	<u>8,339</u>	<u>0</u>
<b>Total Expenditures</b>	<u>392,869</u>	<u>388,920</u>	<u>3,949</u>
Excess of Revenues Over (Under) Expenditures	<u>(19,378)</u>	<u>(21,268)</u>	<u>(1,890)</u>
Net Change in Fund Balances	(19,378)	(21,268)	(1,890)
Fund Balance (Deficit) at Beginning of Year	24,828	24,828	0
Prior Year Encumbrances Appropriated	381	381	0
Fund Balance (Deficit) at End of Year	<u>\$ 5,831</u>	<u>\$ 3,941</u>	<u>\$ (1,890)</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**TITLE III (IMMIGRANT)**  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 10,824	\$ 10,796	\$ (28)
Total Revenues	<u>10,824</u>	<u>10,796</u>	<u>(28)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	8,040	8,040	
Materials and Supplies	<u>2,784</u>	<u>2,755</u>	<u>29</u>
Total - Special	<u>10,824</u>	<u>10,795</u>	<u>29</u>
Total - Instruction:	<u>10,824</u>	<u>10,795</u>	<u>29</u>
Total Expenditures	<u>10,824</u>	<u>10,795</u>	<u>29</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>1</u>	<u>1</u>
Net Change in Fund Balances	0	1	1
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>\$ 1</u>	<u>\$ 1</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 65,098	\$ 63,369	\$ (1,729)
<b>Total Revenues</b>	<u>65,098</u>	<u>63,369</u>	<u>(1,729)</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	48,508	47,465	1,043
Fringe Benefits	7,802	7,801	1
Materials and Supplies	0	0	0
<b>Total - Special</b>	<u>56,310</u>	<u>55,266</u>	<u>1,044</u>
<b>Total - Instruction:</b>	<u>56,310</u>	<u>55,266</u>	<u>1,044</u>
Support Services:			
Instructional Staff			
Salaries	2,818	969	1,849
Fringe Benefits	464	160	304
Purchased Services	2,861	750	2,111
Materials and Supplies	1,500	1,492	8
<b>Total - Instructional Staff</b>	<u>7,643</u>	<u>3,371</u>	<u>4,272</u>
<b>Total - Support Services:</b>	<u>7,643</u>	<u>3,371</u>	<u>4,272</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	3,260	3,260	0
<b>Total - Community Services</b>	<u>3,260</u>	<u>3,260</u>	<u>0</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>3,260</u>	<u>3,260</u>	<u>0</u>
<b>Total Expenditures</b>	<u>67,213</u>	<u>61,897</u>	<u>5,316</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,115)</u>	<u>1,472</u>	<u>3,587</u>
<b>Net Change in Fund Balances</b>	(2,115)	1,472	3,587
<b>Fund Balance (Deficit) at Beginning of Year</b>	2,879	2,879	0
<b>Prior Year Encumbrances Appropriated</b>	960	960	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1,724</u>	<u>\$ 5,311</u>	<u>\$ 3,587</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title V*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 2,582	\$ 2,582	\$ -
Total Revenues	<u>2,582</u>	<u>2,582</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	44	44	0
Materials and Supplies	<u>2,397</u>	<u>2,397</u>	<u>0</u>
Total - Special	<u>2,441</u>	<u>2,441</u>	<u>0</u>
Total - Instruction:	<u>2,441</u>	<u>2,441</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>185</u>	<u>185</u>	<u>0</u>
Total - Community Services	<u>185</u>	<u>185</u>	<u>0</u>
Total - Operation of Non-Instructional Services:	<u>185</u>	<u>185</u>	<u>0</u>
Total Expenditures	<u>2,626</u>	<u>2,626</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(44)</u>	<u>(44)</u>	<u>0</u>
Net Change in Fund Balances	(44)	(44)	0
Fund Balance (Deficit) at Beginning of Year	<u>44</u>	<u>44</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Education (Title IV-A)*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 4,292	\$ 3,764	\$ (528)
<b>Total Revenues</b>	<u>4,292</u>	<u>3,764</u>	<u>(528)</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Pupils			
Salaries	3,815	3,270	545
Fringe Benefits	628	536	92
Purchased Services	177	177	0
Materials and Supplies	100	100	0
<b>Total - Pupils</b>	<u>4,720</u>	<u>4,083</u>	<u>637</u>
<b>Total - Support Services:</b>	<u>4,720</u>	<u>4,083</u>	<u>637</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	100	100	
Materials and Supplies	412	413	(1)
<b>Total - Community Services</b>	<u>512</u>	<u>513</u>	<u>(1)</u>
<b>Total - Operation of Non-Instructional Services:</b>	<u>512</u>	<u>513</u>	<u>(1)</u>
<b>Total Expenditures</b>	<u>5,232</u>	<u>4,596</u>	<u>636</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(940)</u>	<u>(832)</u>	<u>108</u>
<b>Net Change in Fund Balances</b>	(940)	(832)	108
Fund Balance (Deficit) at Beginning of Year	660	660	0
Prior Year Encumbrances Appropriated	281	281	0
<b>Fund Balance (Deficit) at End of Year</b>	<u>\$ 1</u>	<u>\$ 109</u>	<u>\$ 108</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 13,357	\$ 13,357	\$ -
<b>Total Revenues</b>	<u>13,357</u>	<u>13,357</u>	<u>0</u>
<b>EXPENDITURES:</b>			
Current:			
Instruction:			
Special			
Salaries	<u>13,357</u>	<u>13,357</u>	<u>0</u>
Total - Special	<u>13,357</u>	<u>13,357</u>	<u>0</u>
Total - Instruction:	<u>13,357</u>	<u>13,357</u>	<u>0</u>
Support Services:			
Instructional Staff			
Salaries	<u>0</u>	<u>0</u>	<u>0</u>
Total - Instructional Staff	<u>0</u>	<u>0</u>	<u>0</u>
Total - Support Services:	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Expenditures</b>	<u>13,357</u>	<u>13,357</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	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
**E-RATE GRANT**  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES:</b>			
Intergovernmental	\$ 17,732	\$ 21,757	\$ 4,025
<b>Total Revenues</b>	<u>17,732</u>	<u>21,757</u>	<u>4,025</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services:			
Central			
Purchased Services	<u>17,732</u>	<u>21,757</u>	<u>(4,025)</u>
<b>Total - Central</b>	<u>17,732</u>	<u>21,757</u>	<u>(4,025)</u>
<b>Total - Support Services:</b>	<u>17,732</u>	<u>21,757</u>	<u>(4,025)</u>
<b>Total Expenditures</b>	<u>17,732</u>	<u>21,757</u>	<u>(4,025)</u>
Excess of Revenues Over (Under) Expenditures	0	0	0
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title II-A*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 29,781	29,779	\$ (2)
Total Revenues	<u>29,781</u>	<u>29,779</u>	<u>(2)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Salaries	<u>1,512</u>	<u>1,512</u>	<u>0</u>
Total - Regular	<u>1,512</u>	<u>1,512</u>	<u>0</u>
Other			
Salaries	<u>27,696</u>	<u>27,696</u>	<u>0</u>
Total - Other	<u>27,696</u>	<u>27,696</u>	<u>0</u>
Total - Instruction:	<u>29,208</u>	<u>29,208</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	<u>2,510</u>	<u>2,508</u>	<u>2</u>
Total - Community Services	<u>2,510</u>	<u>2,508</u>	<u>2</u>
Total - Operation of Non-Instructional Services:	<u>2,510</u>	<u>2,508</u>	<u>2</u>
Total Expenditures	<u>31,718</u>	<u>31,716</u>	<u>2</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,937)</u>	<u>(1,937)</u>	<u>0</u>
Net Change in Fund Balances	(1,937)	(1,937)	0
Fund Balance (Deficit) at Beginning of Year	1,512	1,512	0
Prior Year Encumbrances Appropriated	<u>425</u>	<u>425</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Beachwood City Schools**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants*  
*For the Fiscal Year Ended June 30, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:			
Intergovernmental	\$ 6,959	\$ 6,459	\$ (500)
Total Revenues	<u>6,959</u>	<u>6,459</u>	<u>(500)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Salaries	4,080	4,080	
Materials and Supplies	2,220	1,027	1,193
Total - Regular	<u>6,300</u>	<u>5,107</u>	<u>1,193</u>
Special			
Purchased Services	0	0	0
Capital Outlay	0	0	0
Total - Special	<u>0</u>	<u>0</u>	<u>0</u>
Total - Instruction:	<u>6,300</u>	<u>5,107</u>	<u>1,193</u>
Support Services:			
Instructional Staff			
Purchased Services	867	868	(1)
Total - Instructional Staff	<u>867</u>	<u>868</u>	<u>(1)</u>
Total - Support Services:	<u>867</u>	<u>868</u>	<u>(1)</u>
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	46	45	1
Materials and Supplies	82	82	
Total - Community Services	<u>128</u>	<u>127</u>	<u>1</u>
Total - Operation of Non-Instructional Services:	<u>128</u>	<u>127</u>	<u>1</u>
Total Expenditures	<u>7,295</u>	<u>6,102</u>	<u>1,193</u>
Excess of Revenues Over (Under) Expenditures	<u>(336)</u>	<u>357</u>	<u>693</u>
Net Change in Fund Balances	(336)	357	693
Fund Balance (Deficit) at Beginning of Year	253	253	0
Prior Year Encumbrances Appropriated	<u>84</u>	<u>84</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1</u>	<u>\$ 694</u>	<u>\$ 693</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, 2007*

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>OPERATING REVENUES:</b>			
Other Revenues	\$ 910,000	\$ 832,154	\$ (77,846)
Total Operating Revenues	<u>910,000</u>	<u>832,154</u>	<u>(77,846)</u>
<b>OPERATING EXPENSES:</b>			
Claims	90,000	76,032	13,968
Other	<u>760,000</u>	<u>599,122</u>	<u>160,878</u>
Total Operating Expenses	<u>850,000</u>	<u>675,154</u>	<u>174,846</u>
Operating Income (Loss)	<u>60,000</u>	<u>157,000</u>	<u>97,000</u>
Net Change in Net Assets	60,000	157,000	97,000
Net Assets (Deficit) at Beginning of Year	<u>79,862</u>	<u>79,862</u>	<u>0</u>
Net Assets (Deficit) at End of Year	<u>\$ 139,862</u>	<u>\$ 236,862</u>	<u>\$ 97,000</u>

## Statistical Section

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

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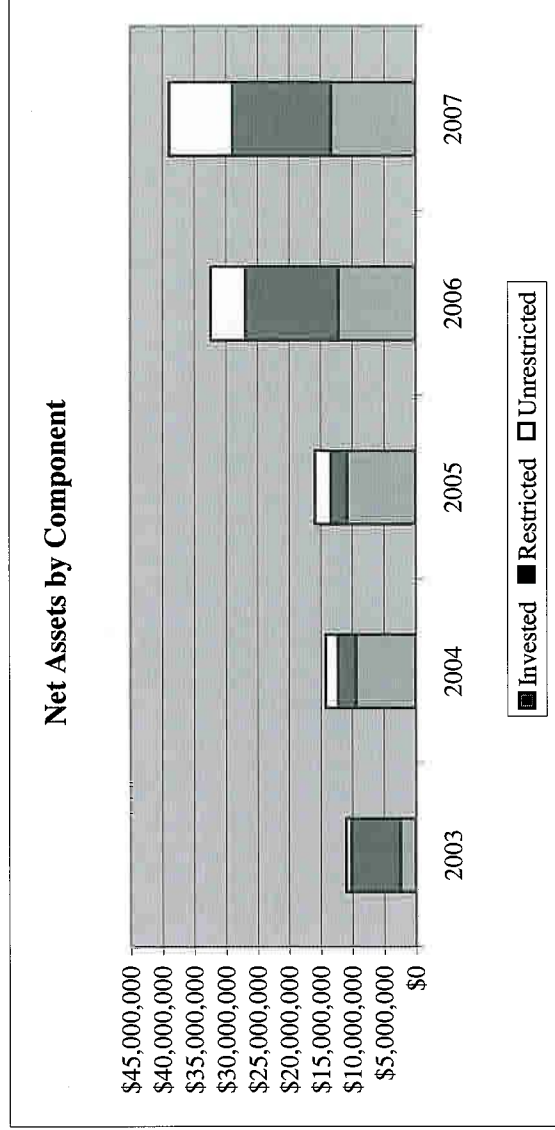
<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	<b>S3 – S11</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader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

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

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

	2003	2004	2005	2006	2007
<b>Invested in Capital Assets, Net of Related Debt</b>	\$ 2,427,232	\$ 9,336,218	\$ 10,745,501	\$ 12,150,684	\$ 13,307,244
Restricted for:					
Debt Services	1,353,347	1,720,016	1,801,050	1,814,506	1,594,417
Capital Outlay	6,108,033	881,458	514,338	351,756	337,034
Other Purposes	49,787	114,876	149,446	190,089	236,168
Set Asides	134,873	134,873	134,873	134,873	134,873
Unrestricted	876,587	2,011,674	2,556,168	5,569,139	9,945,853
<b>Total Net Assets</b>	<b>\$ 10,949,859</b>	<b>\$ 14,199,115</b>	<b>\$ 15,901,376</b>	<b>\$ 20,211,047</b>	<b>\$ 25,555,589</b>



(1) Information prior to 2003 not available



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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses</b>					
Regular Instruction	\$11,080,629	\$10,648,385	\$11,054,568	\$10,041,085	\$10,778,243
Special Instruction	5,303,469	4,883,454	5,326,130	5,642,088	4,585,415
Vocational Instruction	869,041	1,083,365	989,488	924,719	1,022,011
Adult/Conintuing	245,490	187,370	182,946	222,285	171,353
Other Instruction	701,677	747,592	542,440	528,364	453,982
Pupils	2,602,066	2,683,123	3,003,113	2,916,828	2,688,550
Instructional Staff	1,013,004	996,497	792,912	999,100	971,811
Board of Education	473,970	361,428	392,751	424,172	284,394
Administration	2,314,305	2,291,977	2,307,273	2,467,679	2,398,216
Fiscal	763,705	821,105	784,491	748,653	696,353
Business	506,341	464,096	499,751	648,341	579,234
Operation and					
Maintenance of Plant	3,724,961	3,553,721	3,474,546	3,681,893	3,511,269
Pupil Transportation	1,905,211	1,795,090	1,787,938	1,984,406	1,764,492
Central	907,791	891,381	856,973	917,378	902,864
Non-instructional	997,432	823,543	739,588	689,308	683,080
Extracurricular Activities	958,209	885,704	942,705	957,096	944,606
Capital Outlay	0	0	0	0	647,931
Debt Service	993,752	798,353	863,055	937,935	1,027,560
	<u>\$35,361,053</u>	<u>\$33,916,184</u>	<u>\$34,540,668</u>	<u>\$34,731,330</u>	<u>\$34,111,364</u>
<b>Program Revenues</b>					
<b>Charges for Services and Sales:</b>					
Regular Instruction	433,566	331,181	336,667	308,869	252,383
Special Instruction	1,169,614	1,363,859	1,324,456	1,178,598	2,195,528
Vocational Instruction	326,213	379,573	335,213	303,005	545,984
Adult/Conintuing	203,244	187,370	173,326	174,026	153,725
Other Instruction	510,762	440,985	456,480	442,970	399,689
Pupils	618,216	379,618	878,026	871,605	14,869
Instructional Staff	2,323	515	2,586	988	1,795
Administration	0	0	15,232	8,963	0
Fiscal	0	39,238	58,949	3,598	1,759
Business	12,660	2,003	42,313	14,752	6,121
Operation and					
Maintenance of Plant	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	59,964	50,308	70,677	41,402	40,968
Central	39,993	26,035	25,650	30,350	20,950
Food Service Operations	374,118	357,553	326,338	303,674	301,359
Community Services	3,033	2,382	882	0	0
Extracurricular Activities	46,028	78,176	86,449	66,766	66,948

(continued)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Operating Grants and Contributions:</b>					
Regular Instruction	606,968	611,687	106,578	20,741	23,646
Special Instruction	772,210	838,165	531,704	343,732	634,823
Vocational Instruction	311,804	351,695	349,405	391,124	303,901
Other Instruction	29,779	0	0	0	0
Pupils	290,804	207,123	331,928	378,760	143,719
Instructional Staff	66,675	7,048	50,490	61,511	31,531
Administration	7,736	7,389	6,505	6,971	7,629
Business	0	0	1,708	5,600	1,550
Pupil Transportation	482,910	499,063	487,841	1,578	0
Central	46,516	24,936	36,715	39,356	27,891
Food Service Operations	34,751	34,857	29,677	25,941	25,726
Community Services	262,143	239,028	230,662	146,106	155,779
Extracurricular Activities	0	250	6,400	0	0
<b>Capital Grants and Contributions:</b>					
Vocational Instruction	0	1,097	122	0	0
Pupil Transportation	11,466	6,261	6,910	7,467	15,370
Central	0	15,000	0	0	23,719
<b>Total Program Revenues</b>	<u>6,989,310</u>	<u>6,761,150</u>	<u>6,560,493</u>	<u>5,432,290</u>	<u>5,576,624</u>
<b>Net Expenses</b>	<u>(\$28,371,743)</u>	<u>(\$27,155,034)</u>	<u>(\$27,980,175)</u>	<u>(\$29,299,040)</u>	<u>(\$28,534,740)</u>
<b>General Revenues</b>					
Grants and Entitlements not					
Restricted to Specific Services	3,168,842	2,772,082	3,916,894	4,549,844	4,089,674
Investment Earnings	809,864	328,084	139,814	125,271	364,914
Miscellaneous	23,756	83,182	32,150	61,711	(140,595)
Property Taxes	29,661,499	28,281,357	25,593,578	27,811,470	25,000,564
Customer Sales and Services	52,324	0	0	0	0
<b>Total General Revenues</b>	<u>33,716,285</u>	<u>31,464,705</u>	<u>29,682,436</u>	<u>32,548,296</u>	<u>29,314,557</u>
<b>Change in Net Assets</b>	<u>\$5,344,542</u>	<u>\$4,309,671</u>	<u>\$1,702,261</u>	<u>\$3,249,256</u>	<u>\$779,817</u>

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

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**Beachwood City School District**

Program Revenues by Source

Last Five Fiscal Years (1)

(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Program Revenues</b>					
Charges for Services					
Regular Instruction	\$1,040,534	\$942,868	\$443,245	\$329,610	\$276,029
Special Instruction	1,941,824	2,202,024	1,856,160	1,522,330	2,830,351
Vocational Instruction	638,017	732,365	684,740	694,129	849,885
Adult/Conintuing	203,244	187,370	173,326	174,026	153,725
Other Instruction	540,541	440,985	456,480	442,970	399,689
Pupils	909,020	586,741	1,209,954	1,250,365	158,588
Instructional Staff	68,998	7,563	53,076	62,499	33,326
Administration	7,736	7,389	21,737	15,934	7,629
Fiscal	0	39,238	58,949	3,598	1,759
Business	12,660	2,003	44,021	20,352	7,671
Operation and					
Maintenance of Plant	265,814	278,755	250,604	253,837	179,262
Pupil Transportation	554,340	555,632	565,428	50,447	56,338
Central	86,509	65,971	62,365	69,706	72,560
Food Service Operations	408,869	392,410	356,015	329,615	327,085
Community Services	265,176	241,410	231,544	146,106	155,779
Extracurricular Activities	46,028	78,426	92,849	66,766	66,948
<b>Total Program Revenues</b>	<b><u>\$6,989,310</u></b>	<b><u>\$6,761,150</u></b>	<b><u>\$6,560,493</u></b>	<b><u>\$5,432,290</u></b>	<b><u>\$5,576,624</u></b>

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

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$5,239,608	\$4,052,527	\$4,800,334	\$4,557,332
Unreserved	<u>5,825,245</u>	<u>2,134,483</u>	<u>(1,112,119)</u>	<u>(1,015,196)</u>
<i>Total General Fund</i>	<u>11,064,853</u>	<u>6,187,010</u>	<u>3,688,215</u>	<u>3,542,136</u>
All Other Governmental Funds				
Reserved	804,680	591,542	1,130,455	1,227,655
Unreserved, Undesignated, Reported in:				
Special Revenues funds	568,339	575,599	484,569	412,994
Debt Service funds	970,197	1,273,916	1,036,533	997,295
Capital Projects funds	<u>131,590</u>	<u>126,348</u>	<u>39,995</u>	<u>261,146</u>
Total All Other Governmental Funds	<u>2,474,806</u>	<u>2,567,405</u>	<u>2,691,552</u>	<u>2,899,090</u>
<i>Total Governmental Funds</i>	<u>\$13,539,659</u>	<u>\$8,754,415</u>	<u>\$6,379,767</u>	<u>\$6,441,226</u>

(continued)

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

2003	2002	2001	2000	1999	1998
\$3,706,404	\$3,680,936	\$2,325,915	\$2,095,574	\$2,424,648	\$2,210,927
(1,020,226)	157,538	1,278,414	1,951,234	2,430,382	1,917,374
2,686,178	3,838,474	3,604,329	4,046,808	4,855,030	4,128,301
6,497,343	2,097,283	1,738,416	300,409	716,315	1,889,931
324,954	91,596	271,591	277,736	113,763	64,482
837,863	497,067	736,138	649,499	580,778	484,592
(145,974)	(829,197)	3,885,555	(2,592,695)	(3,516,822)	(3,973,593)
7,514,186	1,856,749	6,631,700	(1,365,051)	(2,105,966)	(1,534,588)
<u>\$10,200,364</u>	<u>\$5,695,223</u>	<u>\$10,236,029</u>	<u>\$2,681,757</u>	<u>\$2,749,064</u>	<u>\$2,593,713</u>

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

	2007	2006	2005	2004	2003
<b>General Revenues</b>					
Property and Other Local Taxes	\$30,467,859	\$27,807,938	\$25,307,928	\$27,589,977	\$24,239,246
Intergovernmental	6,083,421	5,597,211	6,093,461	6,142,734	5,261,381
Interest	722,948	332,199	140,974	125,949	365,761
Tuition and Fees/Rent	2,793,748	3,015,130	3,369,859	3,161,659	3,424,098
Miscellaneous Revenue from Local Sources	1,425,357	988,963	1,003,425	931,549	793,879
<i>Total Revenues</i>	<u>\$41,493,333</u>	<u>\$37,741,441</u>	<u>\$35,915,647</u>	<u>\$37,951,868</u>	<u>\$34,084,365</u>
<b>Expenditures</b>					
Instruction	\$17,132,962	\$16,731,136	\$17,300,556	\$18,098,823	\$16,678,096
Support Services:					
Pupil	2,610,057	2,623,983	3,074,384	2,858,960	2,614,236
Instructional Staff	959,487	940,566	788,195	941,951	966,523
Board of Education	451,140	338,636	369,854	401,284	263,595
Administration	2,340,665	2,367,189	2,291,300	2,487,798	2,466,060
Fiscal	853,796	808,530	769,006	754,590	688,430
Business	499,306	485,869	479,302	668,183	580,659
Operation and Maintenance of Plant	3,697,130	3,482,866	3,415,354	3,538,967	3,491,718
Pupil Transportation	1,958,588	1,785,440	1,821,183	1,871,614	1,646,430
Central	1,397,285	1,239,852	1,077,752	983,114	1,029,550
Non-instructional	937,992	765,582	694,863	633,396	626,473
Extracurricular Activities	922,936	850,200	911,114	918,184	932,594
Capital Outlay	508,859	297,650	400,279	4,900,809	11,379,293
Debt Service:					
Principal	1,859,998	2,050,000	2,014,960	2,293,959	1,549,000
Interest	1,009,662	814,303	878,965	939,886	1,110,098
<i>Total Expenditures</i>	<u>37,139,863</u>	<u>35,581,802</u>	<u>36,287,067</u>	<u>42,291,518</u>	<u>46,022,755</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,353,470</u>	<u>2,159,639</u>	<u>(371,420)</u>	<u>(4,339,650)</u>	<u>(11,938,390)</u>
<b>Other Financing Sources/(Uses)</b>					
Operating Transfers In	315,000	283,214	205,500	270,709	310,800
General Obligation Bonds Issued	0	0	0	0	18,814,982
Proceed from Sale of Bonds	0	0	0	0	0
Proceeds from Sale of Fixed Assets	18,622	11,325	41,632	7,850	8,900
Inception of Capital Lease	413,152	203,684	268,329	583,198	214,273
Other Financing Sources	0	0	0	0	503,415
Operating Transfers Out	(315,000)	(283,214)	(205,500)	(270,709)	(315,574)
Refund of Prior Year Expenditures/Receipts	0	0	0	(10,536)	(1,666)
Advanced Refunding of Bonds	0	0	0	0	(3,192,846)
	431,774	215,009	309,961	580,512	16,342,284
<i>Net Changes in Fund Balances</i>	<u>\$4,785,244</u>	<u>\$2,374,648</u>	<u>(\$61,459)</u>	<u>(\$3,759,138)</u>	<u>\$4,403,894</u>
Debt Services as a percentage of Noncapital expenditures	7.83%	8.12%	8.06%	8.65%	7.68%

2002	2001	2000	1999	1998
\$24,352,420	\$23,502,664	\$21,002,499	\$20,719,786	\$19,449,366
3,661,088	3,395,422	3,243,150	3,005,697	2,860,399
402,251	878,815	508,082	507,979	601,658
568,401	689,572	184,932	119,779	271,174
<u>153,875</u>	<u>280,077</u>	<u>144,987</u>	<u>134,283</u>	<u>184,189</u>
<u>\$29,138,035</u>	<u>\$28,746,550</u>	<u>\$25,083,650</u>	<u>\$24,487,524</u>	<u>\$23,366,786</u>
\$12,844,431	\$12,605,104	\$11,113,420	\$10,388,348	\$9,860,319
1,636,458	1,516,119	1,300,244	1,273,637	1,376,326
1,082,394	1,061,254	1,001,575	877,895	852,345
294,226	373,165	592,182	286,573	231,410
2,235,020	2,330,887	2,033,370	2,044,858	1,792,529
714,044	673,265	703,634	654,159	598,323
634,439	605,469	595,903	470,691	490,540
3,374,674	3,479,271	3,141,249	2,880,359	2,553,557
1,525,891	1,593,911	1,331,368	1,278,456	1,248,385
748,401	956,460	775,876	704,400	785,870
179,397	170,435	149,758	169,705	127,888
808,626	644,800	504,065	465,447	459,801
5,012,396	877,418	801,860	1,915,511	3,672,916
2,084,000	1,675,000	586,000	362,000	267,200
<u>634,072</u>	<u>721,940</u>	<u>508,285</u>	<u>567,436</u>	<u>539,841</u>
<u>33,808,469</u>	<u>29,284,498</u>	<u>25,138,789</u>	<u>24,339,475</u>	<u>24,857,250</u>
<u>(4,670,434)</u>	<u>(537,948)</u>	<u>(55,139)</u>	<u>148,049</u>	<u>(1,490,464)</u>
270,400	180,000	191,488	145,695	78,000
0	0	0	0	0
0	0	127,000	93,000	110,000
2,320	3,140	715	870	9,286
400,175	0	0	0	0
0	0	0	0	0
(543,267)	(450,920)	(331,371)	(282,773)	(198,600)
0	0	0	50,510	136,592
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>129,628</u>	<u>(267,780)</u>	<u>(12,168)</u>	<u>7,302</u>	<u>135,278</u>
<u>(\$4,540,806)</u>	<u>(\$805,728)</u>	<u>(\$67,307)</u>	<u>\$155,351</u>	<u>(\$1,355,186)</u>
9.44%	8.44%	4.50%	4.14%	3.81%



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

Collection Year	Real Estate		Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2007	\$732,702,280	\$2,093,435,086	\$53,770,556	\$192,924,016	\$786,472,836	\$2,286,359,101	82.30
2006	679,670,070	1,941,914,485	64,658,652	237,250,537	744,328,722	2,179,165,022	86.60
2005	686,967,660	1,955,623,608	52,508,168	210,032,672	739,475,828	2,165,656,280	80.70
2004	695,539,230	1,985,157,689	59,598,455	238,393,820	755,137,685	2,223,551,509	80.50
2003	631,058,390	1,807,582,184	72,216,204	288,864,816	703,274,594	2,096,447,000	80.50
2002	635,127,740	1,777,893,018	77,360,149	309,440,596	712,487,889	2,087,333,614	69.30
2001	624,841,070	1,760,134,036	73,392,504	293,570,016	698,233,574	2,053,704,052	69.30
2000	557,294,010	1,560,813,961	68,012,471	272,049,884	625,306,481	1,832,863,845	69.50
1999	547,253,530	1,528,610,445	64,860,358	259,441,432	612,113,888	1,788,051,877	69.70
1998	525,888,420	1,469,939,277	53,657,332	214,629,328	579,545,752	1,684,568,605	68.50

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 23 percent of listed true value for tangible personal property and 88 percent for public utility property.

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

Tax Year/ Collection Year	School Levy	County Levy	City Levy	Total Levy	Debt Service		
					Included in Total Levy		
					School	County	Total
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08
2004/2005	77.60	20.30	4.00	101.90	3.10	0.88	3.98
2003/2004	77.50	19.40	4.00	100.90	3.00	0.91	3.91
2002/2003	77.50	17.60	4.00	99.10	3.00	0.86	3.86
2001/2002	67.90	17.60	4.00	89.50	1.40	0.86	2.26
2000/2001	67.90	17.60	4.00	89.50	1.40	0.79	2.19
1999/2000	68.00	16.70	4.00	88.70	1.50	0.85	2.35
1998/1999	68.10	16.70	4.00	88.80	1.60	0.72	2.32
1997/1998	67.50	18.00	4.00	89.50	1.00	0.60	1.60

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

**Beachwood City School District**

Property Tax Levies and Collections  
Real and Personal Property Taxes (1)

Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Percent of		Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
				Current Levy Collected	Current Collection			
2006/2007	29,891,803	4,751,401	34,643,204	90.51%	27,055,835	828,455	27,884,290	93.3%
2005/2006	34,410,291	3,754,690	38,164,981	87.73%	30,187,583	680,156	30,867,739	89.7%
2004/2005	30,107,604	2,913,528	33,021,132	91.38%	27,513,823	742,933	28,256,756	93.9%
2003/2004	30,327,678	2,136,544	32,464,222	93.12%	28,239,734	893,478	29,133,212	96.1%
2002/2003	30,062,190	1,842,359	31,904,549	87.65%	26,350,939	380,546	26,731,485	88.9%
2001/2002	25,229,116	2,485,421	27,714,537	93.11%	23,490,605	1,334,269	24,824,874	98.4%
2000/2001	24,043,459	1,313,444	25,356,903	93.57%	22,496,799	1,468,741	23,965,540	99.7%
1999/2000	23,369,923	1,153,949	24,523,872	97.37%	22,756,093	662,490	23,418,583	100.2%
1998/1999	22,044,802	1,163,401	23,208,203	95.80%	21,118,474	752,386	21,870,860	99.2%
1997/1998	20,900,491	1,244,733	22,145,224	95.69%	19,998,904	599,164	20,598,068	98.6%

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, 2006 and December 31, 1997

December 31, 2006			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$45,037,940	12.12%
Bracebridge Corp.	Retail	35,364,430	9.52%
Cleveland Clinic	Health Care	14,174,270	3.81%
Hamptons Apartment	Apartments	10,995,570	2.96%
Village Green of Beachwood	Condominiums	10,396,550	2.80%
Red Lionbs Hotels Inc	Hotel	10,291,900	2.77%
Four Seasons Apartments	Apartments	9,887,680	2.66%
Boardwalk Parnters LLC	Hotel	8,786,270	2.36%
HCRI Beachwood Inc	Hotel	8,264,310	2.22%
Gothm King Fee Owner, LLC	Unknown	7,179,660	1.93%
		<u>\$160,378,580</u>	<u>43.15%</u>
Total Commercial Valuation		<u>\$371,659,600</u>	

December 31, 1997			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$16,888,870	6.82%
MBNA	Banking	11,275,570	4.55%
Mark IV	Apartments	10,699,890	4.32%
Village Greens	Apartments	10,189,660	4.11%
GSK Associates	Office buildings	6,489,000	2.62%
Boykin Hotels	Hotel	6,316,280	2.55%
The Higbee Company	Retail	6,036,770	2.44%
Beachwood Care Center	Uknown	4,897,200	1.98%
Four CPS Co Ltd.	Office buildings	4,690,000	1.89%
La Place Center	Retail	4,464,920	1.80%
		<u>\$81,948,160</u>	<u>33.07%</u>
Total Commercial Valuation		<u>\$247,799,030</u>	

Source: Cuyahoga County Auditor

**Beachwood City School District**  
Principal Property Taxpayers  
Tangible Personal Property Tax  
December 31, 2006 and December 31, 1997

		December 31, 2006	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
MBNA Marketing Systems Inc	Credit card	\$3,376,050	8.22%
The Higbee Company	Retail	2,249,530	5.48%
Nordstrom Inc.	Retail	2,229,710	5.43%
Crestmont Cadillac	Car dealership	1,887,300	4.60%
Saks Fifth Avenue	Retail sales	1,648,820	4.02%
Tremco	Roofing	1,254,870	3.06%
Developers Diversified	Advertisement	1,144,780	2.79%
Hexagran Inc	Retail sales	1,139,470	2.78%
Officemax, Inc.	Retail sales	732,190	1.78%
Central Hummer East Ltd.	Car dealership	731,100	1.78%
Degussa Contruccion Chemicals	Chemicals	719,872	1.75%
Englehard Corp.	Research & Development	714,720	1.74%
<b>Total</b>		<b>\$17,828,412</b>	<b>43.43%</b>
<b>Total Tangible Personal Property Valuation</b>		<b>\$41,047,066</b>	

*Updated*

		December 31, 1997	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Nordstrom Inc	Retail	\$5,406,630	10.08%
The Higbee Company	Retail	4,650,930	8.67%
MBNA Ohio Properties, Inc.	Banking	3,922,150	7.31%
Saks Fifth Avenue	Retail	2,437,690	4.54%
Master Builders	Concrete additives	2,077,050	3.87%
Comdisco Inc	Unknown	1,517,250	2.83%
Office Max	Retail	1,507,480	2.81%
Lamson & Sessions Co,	Mfg., thermal plastics	1,306,860	2.44%
Crestmont Cadillac	Auto sales	1,233,098	2.30%
IBM Credit Corp	Computers	1,123,030	2.09%
<b>Total</b>		<b>\$25,182,168</b>	<b>46.93%</b>
<b>Total Tangible Personal Property Valuation</b>		<b>\$53,657,332</b>	

**Beachwood City School District**  
Principal Property Taxpayers  
Public Utility Tax  
December 31, 2006 and December 31, 1997

		December 31, 2006	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$7,639,960	60.05%
Ohio Bell	Telephone	3,274,950	25.74%
American Transmission System	Telephone	551,850	4.34%
East Ohio Gas Co.	Gas Utility	533,040	4.19%
New Par		506,930	3.98%
Total		<u>\$12,506,730</u>	<u>98.30%</u>
Total Tangible Personal Property Valuation		<u>\$12,723,490</u>	

		December 31, 1997	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$9,831,860	51.90%
Ohio Bell	Telephone	7,490,680	39.54%
Total		<u>\$17,322,540</u>	<u>91.44%</u>
Total Tangible Personal Property Valuation		<u>\$18,944,410</u>	

Source: Cuyhoga County Auditor

**Beachwood City School District**  
**All Outstanding Debt**  
**Last Ten Years**

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<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Notes Outstanding</u>	<u>Leases</u>	<u>Total</u>
2007	\$13,359,984	\$2,815,000	\$334,124	\$16,509,108
2006	14,599,982	3,435,000	216,448	18,251,430
2005	16,060,022	4,025,000	388,021	20,473,043
2004	17,509,982	4,620,000	468,228	22,598,210
2003	18,889,982	5,200,000	539,556	24,629,538
2002	3,859,000	9,814,000	433,654	14,106,654
2001	4,558,000	11,898,000	n/a	16,456,000
2000	5,213,000	13,573,000	n/a	18,786,000
1999	5,672,000	9,377,220	n/a	15,049,220
1998	5,941,000	10,341,000	n/a	16,282,000

(1) Source: Beachwood City Schools

**Beachwood City School District**  
 Computation of Direct and Overlapping Debt  
 General Obligation  
 As of December 31, 2006

<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	\$13,359,984	100.00%	\$13,359,984
<i>Overlapping Debt:</i>			
Cuyahoga County	214,338,691	2.37%	5,079,827
Regional Transit Authority	156,500,000	2.37%	3,709,050
City of Beachwood	18,190,000	99.70%	18,135,430
City of Pepper Pike	<u>12,124,318</u>	0.30%	<u>36,373</u>
Total Overlapping Debt	<u>401,153,009</u>		<u>26,960,680</u>
Total Debt	<u><u>\$414,512,993</u></u>		<u><u>\$40,320,664</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 2006 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
2007	\$13,359,984	\$970,197	\$12,389,787	\$786,472,836	12,186	1.58%	\$1,017
2006	14,599,982	1,273,916	13,326,066	744,328,722	12,186	1.79%	1,094
2005	16,060,022	1,036,533	15,023,489	739,475,828	12,186	2.03%	1,233
2004	17,509,982	1,638,443	15,871,539	755,137,685	12,186	2.10%	1,302
2003	18,889,982	1,305,760	17,584,222	703,274,594	12,186	2.50%	1,443
2002	3,859,000	955,728	2,903,272	712,487,889	12,186	0.41%	238
2001	4,558,000	1,039,085	3,518,915	698,233,574	12,186	0.50%	289
2000	5,213,000	739,024	4,473,976	625,306,481	12,186	0.72%	367
1999	5,672,000	662,489	5,009,511	612,113,888	10,677	0.82%	469
1998	5,941,000	521,562	5,419,438	579,545,772	10,677	0.94%	508

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Valuation	<u>\$786,472,836</u>	<u>\$744,328,722</u>	<u>\$739,475,828</u>	<u>\$755,137,685</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$70,782,555	\$66,989,585	\$66,552,825	\$67,962,392
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	13,359,984	14,599,982	16,060,022	17,509,982
Less Bond Retirement Fund	970,197	1,273,916	1,036,533	1,638,443
Net General Bonded Debt	<u>12,389,787</u>	<u>13,326,066</u>	<u>15,023,489</u>	<u>15,871,539</u>
Voted Debt Margin	<u>\$57,422,571</u>	<u>\$52,389,603</u>	<u>\$50,492,803</u>	<u>\$50,452,410</u>
Ratio of Legal Debt Margin to Assessed Values	1.58%	1.79%	2.03%	2.10%
Bonded Debt Limit - .1% of Assessed Value (1)	<u>\$786,473</u>	<u>\$744,329</u>	<u>\$739,476</u>	<u>\$755,138</u>
Unvoted Debt Margin	<u>\$786,473</u>	<u>\$744,329</u>	<u>\$739,476</u>	<u>\$755,138</u>

(continued)

Source: Cuyahoga County Auditor

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

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>\$703,274,594</u>	<u>\$712,487,889</u>	<u>\$698,233,574</u>	<u>\$625,306,481</u>	<u>\$612,113,888</u>	<u>\$579,545,772</u>
\$63,294,713	\$64,123,910	\$62,841,022	\$56,277,583	\$55,090,250	\$52,159,119
18,814,982	19,465,000	4,320,000	4,885,000	5,415,000	5,735,000
1,305,760	955,728	1,039,085	739,024	662,489	521,562
17,509,222	18,509,272	3,280,915	4,145,976	4,752,511	5,213,438
<u>\$44,479,731</u>	<u>\$44,658,910</u>	<u>\$58,521,022</u>	<u>\$51,392,583</u>	<u>\$49,675,250</u>	<u>\$46,424,119</u>
2.49%	2.60%	0.47%	0.66%	0.78%	0.90%
\$703,275	\$712,488	\$698,234	\$625,306	\$612,114	\$579,546
<u>\$703,275</u>	<u>\$712,488</u>	<u>\$698,234</u>	<u>\$625,306</u>	<u>\$612,114</u>	<u>\$579,546</u>

**Beachwood City School District**  
Demographic and Economic Statistics  
Last Nine Years (4)

Year	Population (1)	Average Federal Adjusted Gross Income (2)	Median Ohio Adjusted Gross Income (2)	Per Capita Personal Income	Cuyahoga County Unemployment Rate (3)
2005	12,186	\$129,930	\$45,753	n/a	6.1
2004	12,186	106,109	46,338	n/a	6.2
2003	12,186	100,111	43,738	n/a	6.2
2002	12,186	94,108	41,737	n/a	6.6
2001	12,186	91,434	42,275	n/a	4.6
2000	12,186	97,658	45,087	n/a	4.5
1999	10,677	94,267	44,568	n/a	4.5
1998	10,677	103,778	44,302	n/a	4.5
1997	10,677	91,193	41,285	n/a	5.8

Source:

- (1) Federal Census
- (2) Ohio Department of Taxation
- (3) City of Beachwood
- (4) Information not available prior to 1997

**Beachwood City School District**  
Principal Employers  
December 31, 2006

Employer	Number of Employees	Percentage of Total
Bank of America	2,997	13.69%
Menorah Park Center	950	4.34
Nordstrom	715	3.27
Montefiore Home	607	2.77
Cleveland Clinic Foundation	504	2.30
Beachwood City School District	315	1.44
Delopers Diversified	400	1.83
Degussa Admxtures Inc.	213	0.97
Medical Mutual of Ohio	210	0.96
Brulant Inc	205	0.94
Total	<u>7,116</u>	<u>32.50%</u>
Total employment within the School District	<u>21,898</u>	

December 31, 2005

Employer	Number of Employees	Percentage of Total
MBNA	3,061	13.47%
Menorah Park Center	1,407	6.19
Developer's Diversified Realty	539	2.37
Cleveland Clinic Foundation	479	2.11
Beachwood City School District	403	1.77
Tremco	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

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

	2007	2006
<b>Fairmount Elementary School</b>		
Constructed in 1998		
Total Building Square Footage	26,987	26,987
* Enrollment Grades PreK - K	84	96
Student Capacity	220	220
Regular Instruction Classrooms	8	8
Regular Instruction Teachers	7	7
Special Instruction Classrooms	3	3
Special Instruction Teachers	3	2.5
% of students who receive free/reduced lunch	0.00**	6.32%
* Only includes special ed. Pre-k		
** Due to building reconfiguration in 08 reported in other schools		
<b>Bryden Elementary School</b>		
Constructed in 1958		
Additions in 1991 and 2002		
Total Building Square Footage	50,289	50,289
Enrollment Grades 1 - 3	288	278
Student Capacity	510	510
Regular Instruction Classrooms	13	13
Regular Instruction Teachers	13	13
Special Instruction Classrooms	3	3
Special Instruction Teachers	3	3
% of students who receive free/reduced lunch	7.12%	6.86%
<b>Hilltop Elementary School</b>		
Constructed in 1957		
Addition in 2002		
Total Building Square Footage	51,200	51,200
Enrollment Grades 4 - 6	289	302
Student Capacity	731	731
Regular Instruction Classrooms	16	16
Regular Instruction Teachers	14	16
Special Instruction Classrooms	3	3
Special Instruction Teachers	4	4
% of students who receive free/reduced lunch	7.17%	6.99%
<b>Beachwood Middle School</b>		
Constructed in 2003		
Total Building Square Footage	98,000	98,000
Enrollment Grades 7 - 8	271	253
Student Capacity	560	560
Regular Instruction Classrooms	27	27
Regular Instruction Teachers	18	18
Special Instruction Classrooms	3	3
Special Instruction Teachers	2	2
% of students who receive free/reduced lunch	4.93%	4.94%
<b>Beachwood High School</b>		
Constructed in 1958		
Additions in 2002 and 2003		
Total Building Square Footage	208,509	208,509
Enrollment Grades 9 - 12	644	647
Student Capacity	1,180	1,180
Regular Instruction Classrooms	40	40
Regular Instruction Teachers	46	45
Special Instruction Classrooms	6	6
Special Instruction Teachers	7	7.0
% of students who receive free/reduced lunch	3.72%	4.93%

**Beachwood City School District**

Per Pupil Cost

Last Ten Fiscal Years

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<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2007	\$28,743,982	1,517	\$18,948	6.18%
2006	27,071,093	1,517	17,845	0.13%
2005	27,462,681	1,541	17,821	-3.76%
2004	28,498,892	1,539	18,518	1.90%
2003	27,641,345	1,521	18,173	10.91%
2002	24,922,718	1,521	16,386	6.09%
2001	25,144,577	1,628	15,445	7.58%
2000	22,596,789	1,574	14,356	7.49%
1999	20,687,836	1,549	13,356	4.91%
1998	19,450,937	1,528	12,730	1.06%

Source: School District Financial Records

(1) Excludes other financing sources

(2) Excludes preschool enrollment



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

<u>Fiscal Year</u>	<u>Beachwood Attendance Rate</u>	<u>State Average</u>	<u>Beachwood Graduation Rate</u>	<u>State Average</u>
2007	95.0%	94.1%	97.1%	86.1%
2006	96.1	94.1	99.3	86.2
2005	96.2	94.3	97.9	85.9
2004	96.5	94.5	97.3	84.3
2003	95.6	94.5	97.2	83.9
2002	96.3	94.3	97.2	82.8
2001	96.8	93.9	97.6	81.2
2000	95.8	93.6	96.9	80.7
1999	95.4	93.5	97.2	81.4
1998	94.5	93.9	97.8	79.9

Source: Ohio Department of Education Local Report Cards

**Beachwood City School District**  
School District Employees by Function/Program  
Last Three Fiscal Year (1)

Function/Program	2007	2006	2005
<b>Regular Instruction</b>			
Preschool Classroom Teachers	3.00	3.00	3.00
Preschool Aides	2.53	2.46	3.13
Preschool After Care Instructor	0.80	0.80	0.80
Elementary Classroom Teachers	33.47	34.07	37.47
Instructional Assistants	2.07	3.26	3.56
Art/Music/PE/Technology K-12	18.38	18.38	20.90
High School/Middle School Classroom Teachers	43.10	42.00	44.90
<b>Special Instruction</b>			
Preschool Special Ed.	1.75	1.67	1.67
ESL	0.60	0.60	0.60
Language Delayed	2.00	2.00	2.00
Multi-Disabilities/Cognitive Disabilitites	3.45	3.20	2.33
Deaf/Hard of Hearing	5.00	4.00	5.00
Intervention Specialists	13.50	11.40	14.40
Special Ed Assistants	33.40	31.50	33.50
Gifted Education Teachers	4.00	4.00	5.00
<b>Vocational Instruction</b>			
High School Classroom Teachers	5.00	5.00	5.00
<b>Pupil Support Services</b>			
Guidance Counselors	5.80	5.80	6.00
Librarians	4.00	4.00	4.00
Library Media Assistants	3.00	2.50	3.50
Psychologists	3.00	3.00	3.50
Audiologist and Speech & Lang Pathologists	5.20	5.20	5.80
Nurses	2.42	2.30	2.14
Educational Interpreters	11.60	12.00	17.00
Occupational Therapist	0.80	0.80	0.80
Tutors	3.11	4.61	1.58
<b>Administrators</b>			
Central Office	5.00	4.00	4.00
Elementary	3.00	3.00	4.00
High School	4.00	4.00	3.00
Supervisors	7.00	7.00	9.00
Community Education Coordinator	0.63	0.63	0.63
<b>Administrative Support</b>			
Administrative/Office Assistants	18.38	18.38	15.00
<b>Operation of Plant</b>			
Cleaners	10.75	10.75	12.00
Custodians	10.00	10.00	11.00
Maintenance	5.00	5.00	6.00
<b>Pupil Transportation</b>			
Bus Drivers	23.14	21.62	24.07
Mechanics	2.00	2.00	2.00
<b>Treasurer's Office Staff</b>			
	4.60	4.60	5.00
<b>Technology</b>			
	2.00	1.50	1.00
<b>Food Service Program</b>			
High School Cooks	3.00	3.00	3.00
Food Service Worker	5.66	5.26	5.71
Lunch Aides	0.00	0.00	18.00
<b>Totals</b>	<u>315.14</u>	<u>308.29</u>	<u>350.99</u>

(1) Information not available prior to 2005

**Beachwood City School District**  
 Full-Time Equivalent School District Teachers by Education  
 Last Four Fiscal years (1)

Degree	2007	2006	2005	2004
Beachelor's Degree	16	11	11	11
Bachelor+ 12	5	6	8	10
Beachelor + 24	11	17	15	17
Beachelor + 30	3	4	4	5
Master's Degree	84	79	79	84
Master + 12	15	14	14	15
Master + 24	9	10	10	5
Master + 36	10	9	9	9
Master + 60	<u>14</u>	<u>12</u>	<u>12</u>	<u>17</u>
Total	<u><u>167</u></u>	<u><u>162</u></u>	<u><u>162</u></u>	<u><u>173</u></u>

Source: School District Records  
 (1) Information not available prior to 2004

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

Fiscal Year	Elementary Schools	Middle School/ High School	Total
2007	661	915	1,576
2006	676	900	1,576
2005	725	880	1,605
2004	687	909	1,596
2003	676	902	1,578
2002	661	882	1,543
2001	779	883	1,662
2000	768	841	1,609
1999	838	838	1,676
1998	830	843	1,673

Source: Beachwood City Schools EMIS records

**Beachwood City School District**  
 ACT Composite Scores  
 Last Nine School Years (1)

<u>School Year</u>	<u>Number of Test Takers</u>	<u>Number of Seniors</u>	<u>Beachwood Composite</u>	<u>Ohio Composite</u>	<u>National Composite</u>
2007	200	115	24.3	21.6	21.2
2006	197	116	23.6	21.5	21.1
2005	197	97	24.5	21.4	20.9
2004	198	101	25.4	21.4	20.9
2003	203	102	24.2	21.4	20.8
2002	191	89	23.3	21.4	20.8
2001	162	73	25.1	21.4	21.0
2000	169	96	23.6	21.4	21.0
1999	190	94	24.4	21.4	21.0

Source: High School Guidance Department  
 Beachwood City School District  
 (1) Information not available prior to 1999

**Beachwood City School District**  
**SAT Composite Scores**  
**Last Nine School Years (1)**

School Year	Number of Senior Test Takers	Beachwood		Ohio		National		Beachwood		Ohio		National	
		Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math	Reading/Verbal*	Math
2007	70	587	603	536	603	502	542	583	515	542	583	522	494
2006	76	557	573	535	573	503	544	573	518	544	573	521	497
2005	96	575	604	539	604	508	543	n/a	520	543	n/a	n/a	n/a
2004	99	587	577	538	577	508	542	n/a	518	542	n/a	n/a	n/a
2003	111	562	580	536	580	507	541	n/a	519	541	n/a	n/a	n/a
2002	113	549	556	533	556	504	540	n/a	516	540	n/a	n/a	n/a
2001	83	563	577	534	577	506	539	n/a	514	539	n/a	n/a	n/a
2000	106	537	546	533	546	505	539	n/a	514	539	n/a	n/a	n/a
1999	109	560	577	534	577	505	538	n/a	511	538	n/a	n/a	n/a

Source: High School Guidance Department  
 Beachwood City School District

\* Verbal scores School years 1999 - 2005, Reading Scores School Year 2006-2007

(1) Information not available prior to 1999

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

Fiscal Year	Beachwood Average	State Average
2007	14.3	19.6
2006	14.1	18.6
2005	12.3	18.5
2004	12.3	18.5
2003	10.0	16.5
2002	10.7	16.9
2001	11.1	18.0
2000	11.9	18.1
1999	12.1	18.6
1998	12.9	20.4

Source: Ohio Department of Education, Local Report Card







**Mary Taylor, CPA**  
Auditor of State

**BEACHWOOD CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 3, 2008**