
Citizen Auditors of Ohio

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Historical Analysis Summary

This Citizen Auditors Annual Financial Report (CAAFR) of the Governmental Funds (combination of General, Special Revenue, Debt Service, and Capital Funds) often referred to as the Operational/Governmental Funds of local governments and are recorded for the past ten (10) years, averaged for revenues and expenditures, then graphically presented for analysis (Exhibits 'A' – 'J'). The purpose of this report is to provide a 'citizen/taxpayer' the historical summary of financial operations including where tax dollars were sourced from and on what government programs they were spent.

Exhibit 'A' – Is the ten year historical representation of revenue, expenditures, funds balances, and Government Finance Officers Association (GFOA) recommended minimum funds balances. The numbers are taken directly from audited financial reports from the State of Ohio Auditor website. Any data fields being calculated are clearly marked as such.

Exhibit 'B' – Represents the most current year of operations compared to the 10 year average for revenues, expenditures, and funds balance. The information is derived from the database created in Exhibit 'A'.

Exhibit 'C' - Is a trending average of historical annual revenues, expenditures, accumulated carryover Fund Balance, and recommended minimum Governmental Fund Officers Association (GFOA) to analyze financial resources (revenues, expenditures, fund balance) for trending analysis. This trend is used for determining sustainability of program services, revenue sources, and trending of carryover funds balance. The GFOA

minimum recommendation is used as a benchmark and the actual carryover funds balance is subject to various factors including unknown financial risks to revenue sources; however, any funds balance below 25% or above 100% could be indications of under or over surplus.

Exhibit 'D' – Is a graphic representation of program expenditures from the current financial report compared to the 10 year average. This is valuable for determining the increase or decrease in various program expenditures and the priority placed on each by the community leaders.

Exhibit 'E' – Is a graphic representation of revenues from the current financial report compared to the 10 year average. This is valuable in determining the major revenues sources and displaying the increases or decrease in revenues sources.

Exhibit 'F' - Is a historical graphic of accumulated funds balance and annual net changes (gain or loss) of the operations of the governmental funds. This is used to determine the overall sustainability of governmental funds operations and whether the community is heading into financial trouble or maintaining balance in providing for services to the 'citizens/taxpayers'. Fiscal stability results from maintaining a zero Net Change in Funds balance and a stable Carryover Funds Balance. Fiscal crisis results from repeated deficit spending leading to depleted accumulated carryover funds balance.

Exhibit 'G' - Are pie charts showing the amounts and percentages of Governmental Revenue Sources and Program Expenditures for the current fiscal year from the audited financial report. Effectively this can be viewed as where my tax dollar comes from and on what program(s) they are being expended.

Exhibit(s) 'H – J' are ten year historical graphs of major revenue sources and major program expenditures along with a 2 year moving average trend line. The program(s) expenditure(s) are major cost center/departmental accounting classifications such as the following (these are not all inclusive but examples):

- **General Government** (City Council, Mayor, City Manager, Civil Service, Human Resources, Information Technology, Law Director, Finance Department, Engineering Department, Building Department, Planning Department, and Economic Development) expenditures;
- **Security of Persons & Property** (Police, Fire, Dispatch, and EMT) expenditures;
- **Leisure Time Activities** (Parks, Recreation Centers, Pools, Fitness Center, etc) expenditures;

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- **Transportation** (Roads, Sidewalks, Storm Sewers, Snow Plowing, etc) expenditures;
 - **Capital Outlay** (Investments in land, buildings, roads, storm sewers, fire/police equipment, dump trucks, and other capital assets) expenditures;
 - **Debt Service** (Principal & Interest on bonds, etc) expenditures; Public Health (County Health Department, etc) expenditures;
 - **Community Development** (includes depreciation expenses) expenditures.

Analysis and Summary Report

The City of Beachwood in Cuyahoga County, Ohio, in Exhibit 'A' and 'B', shows an increase in total revenues for 2013 of 26.8% over the 10 year average and total expenditures are (-1.4%) below the 10 year average. The substantial increase in revenues is the result of a ½ % increase in income taxes in 2010 by the voters which annually increase income taxes by approximately \$8-\$12 million dollars. The overall reduction of expenditures is skewed due to a major reduction in capital outlay of (\$4,274,091) or -425.5% below the 10 year average. The other programs costs where approximately 10% above the 10 year average which would beg the question of what is the Mayor and Council priorities for the increased income tax revenues? The accumulated carryover funds balance as of 2013 is 333.4% above the GFOA minimum. The total carryover Governmental Funds Balance for 2013 is \$38,961,903 or 108.4% of total 2013 annual expenditures which could be considered excessive.

The graph in Exhibit 'C' of the annual totals of revenues, expenditures, accumulated governmental funds balance Vs. the GFOA recommended minimum indicates total revenues are increasing along with program expenditures and that the carryover funds balance is substantially above the GFOA recommended minimum balance and grew rapidly in 2013. Most communities are better served when the increases/decreases in accumulated carryover Funds balance are disclosed in the notes as to what public use(s) are intended for the surplus or provide explanation(s) for revenue risks that warrant such surpluses.

The graph in Exhibits 'D' and 'E' provide a graph of the current year's financial revenues and program expenditures compared to the 10 year averages.

The graph in Exhibit 'F' indicates that the accumulated governmental funds balance and annual net changes in funds balance are increasing with five of the last ten years indicated as (losses) or more money was spent than received in those years. ***Given the fact that municipal income***

taxes for 2013 are up 38.8% over the ten year average, it would be fiscally responsible to consider either a reduction in taxes/revenues or full disclosure of future operating/capital spending requirements for the excessive accumulations of governmental funds balances which amounts to \$29,973,031.

The pie charts in Exhibit 'G' provide a representation of revenue sources and program expenditures for 2013. If you look at the graphs as a tax dollar of revenue and expenditures you would see by percentage where your tax dollar is coming from and what it is going for

Exhibits 'H', 'I', and 'J' provide historical graphs of the individual major revenue sources and program expenditures clearly indicating past and possible future trending.

In summary, our analysis reports indicate a community that is watching its budgets closely and maintaining their selected service programs within the resources provided, however, with the considerable accumulated funds balance carried by the City of Beachwood, additional disclosure is advisable regarding what the future public uses/needs for such an excessive surplus are. The City should pay closer attention to the annual increases exceeding 5% in program expenditures and consider a higher priority to capital outlay requirements for infrastructure such as roads, storm sewers, sidewalks, public buildings, and other capital assets.

This report is prepared and presented for an analysis of historical data from the audited financial reports (State Auditor Website) of the governmental funds. The primary purpose of this report is to provide a summarized financial report/analysis for citizen/taxpayers to determine whether or not their community is providing for the sustainable utilization of governmental fund(s) resources for the basic governmental service operations of their community. It appears from our analysis reports that the City of Beachwood is providing for the sustainable and stable provision of basic health, safety, and welfare of its residents, however, additional disclosure in the areas of annual increases in program expenditures along with surpluses in accumulated governmental funds balance should be considered for inclusion in the notes to the financial statements.

If anyone reviewing this report has any questions, issue(s), or concerns, please contact Citizen Auditors of Ohio at the contact information contained hereon. The data contained in this report was input by Mr. Loren Sengstock. The reports and any opinions contained herein are those of Citizen Auditors of Ohio only and no charges for or expenses were incurred in the production thereof.

City of Beachwood, Cuyahoga County, Ohio

Historical Report of Governmental Funds

Exhibit 'A'

Description											10 Year	10 Year
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	Average (1)	Average % (1)
Revenues:												
Property Taxes	\$ 2,569,556	\$ 2,569,986	\$ 2,471,516	\$ 2,763,319	\$ 2,895,836	\$ 2,792,537	\$ 3,952,150	\$ 3,740,957	\$ 3,617,531	\$ 3,556,398	\$ 3,092,979	9.0%
Municipal Income Tax	\$ 29,578,663	\$ 28,162,508	\$ 25,227,131	\$ 17,821,568	\$ 18,325,854	\$ 20,440,036	\$ 20,277,253	\$ 19,773,905	\$ 16,546,653	\$ 16,952,888	\$ 21,310,646	61.8%
Charges for Services	\$ 2,218,880	\$ 2,109,663	\$ 1,994,018	\$ 2,051,510	\$ 2,442,116	\$ 1,782,627	\$ 1,643,737	\$ 1,605,704	\$ 1,551,729	\$ 857,811	\$ 1,825,780	5.3%
Fines, Licenses & Permits	\$ 2,367,813	\$ 1,145,214	\$ 2,018,317	\$ 1,027,705	\$ 995,331	\$ 1,324,213	\$ 1,113,312	\$ 885,269	\$ 764,600	\$ 754,228	\$ 1,239,600	3.6%
Intergovernmental	\$ 1,057,115	\$ 1,210,255	\$ 2,709,877	\$ 1,269,519	\$ 1,240,557	\$ 939,868	\$ 3,532,681	\$ 3,904,940	\$ 3,760,230	\$ 3,668,755	\$ 2,329,380	6.8%
Estate Taxes	\$ 2,757,334	\$ 3,045,450	\$ 3,201,902	\$ 1,969,753	\$ 2,430,800	\$ 4,593,353	\$ -	\$ -	\$ -	\$ -	\$ 1,799,859	5.2%
Admission Taxes	\$ 352,854	\$ 399,449	\$ 414,334	\$ 342,934	\$ 130,552	\$ 143,979	\$ -	\$ -	\$ -	\$ -	\$ 178,410	0.5%
Lodging Taxes	\$ 843,102	\$ 805,323	\$ 729,988	\$ 677,536	\$ 607,839	\$ 809,102	\$ -	\$ -	\$ -	\$ -	\$ 447,289	1.3%
Franchise Fees	\$ 127,499	\$ 131,450	\$ 119,925	\$ 111,900	\$ 105,097	\$ 122,662	\$ -	\$ -	\$ -	\$ -	\$ 71,853	0.2%
Rentals	\$ -	\$ 302,336	\$ 358,037	\$ 395,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,588	0.3%
Health Care Reimbursements	\$ 530,652	\$ 479,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,972	0.3%
Special Assessments	\$ 467,562	\$ 456,852	\$ 463,637	\$ 814,873	\$ 887,830	\$ 1,025,493	\$ 1,060,132	\$ 984,691	\$ 1,080,198	\$ 936,559	\$ 817,783	2.4%
Interest	\$ 177,324	\$ 149,040	\$ 238,581	\$ 527,591	\$ 506,963	\$ 1,775,606	\$ 2,102,503	\$ 1,767,181	\$ 1,016,236	\$ 562,074	\$ 882,310	2.6%
Other	\$ 676,217	\$ 286,935	\$ 342,389	\$ 229,056	\$ 213,456	\$ 359,909	\$ 176,172	\$ 239,406	\$ 153,175	\$ 149,053	\$ 282,577	0.8%
Total Revenues	\$ 43,724,571	\$ 41,253,531	\$ 40,289,652	\$ 30,002,773	\$ 30,782,231	\$ 36,109,385	\$ 33,857,940	\$ 32,902,053	\$ 28,490,352	\$ 27,437,766	\$ 34,485,025	100.0%
Expenditures:												
General Government	\$ 4,494,993	\$ 4,711,020	\$ 3,989,615	\$ 4,398,424	\$ 4,257,790	\$ 4,017,322	\$ 3,879,282	\$ 4,016,348	\$ 3,583,744	\$ 3,392,026	\$ 4,074,056	11.2%
Police-Public Safety	\$ 8,556,641	\$ 8,247,989	\$ 7,774,404	\$ 7,726,739	\$ 7,820,112	\$ 7,807,378	\$ 7,202,251	\$ 6,864,212	\$ 6,483,602	\$ 6,318,172	\$ 7,480,150	20.5%
Fire-Public Safety	\$ 6,620,419	\$ 7,164,341	\$ 6,671,619	\$ 6,244,404	\$ 5,879,094	\$ 5,648,187	\$ 5,113,246	\$ 4,762,553	\$ 4,664,119	\$ 4,460,482	\$ 5,722,846	15.7%
Public Services	\$ 8,700,525	\$ 9,033,212	\$ 8,598,504	\$ 8,067,990	\$ 7,776,652	\$ 9,204,824	\$ 7,456,227	\$ 7,144,377	\$ 6,616,107	\$ 5,897,243	\$ 7,849,566	21.5%
Health & Welfare	\$ 507,654	\$ 578,073	\$ 560,421	\$ 583,933	\$ 535,376	\$ 624,426	\$ 547,248	\$ 584,270	\$ 535,182	\$ 460,894	\$ 551,748	1.5%
Culture & Recreation	\$ 2,414,088	\$ 2,428,076	\$ 2,203,271	\$ 2,254,874	\$ 2,401,030	\$ 2,301,474	\$ 2,154,243	\$ 1,871,385	\$ 1,855,756	\$ 1,812,889	\$ 2,169,709	5.9%
Bldg. & Community Development	\$ 1,063,829	\$ 946,654	\$ 965,898	\$ 907,177	\$ 964,252	\$ 960,151	\$ 893,314	\$ 865,529	\$ 1,005,214	\$ 1,024,899	\$ 959,692	2.6%
Capital Outlay	\$ 1,291,946	\$ 3,769,159	\$ 5,678,719	\$ 8,630,423	\$ 1,261,144	\$ 6,953,739	\$ 3,581,446	\$ 6,188,929	\$ 5,866,548	\$ 12,438,315	\$ 5,566,037	15.3%
Debt Service Total	\$ 2,305,393	\$ 2,424,444	\$ 2,352,909	\$ 2,192,235	\$ 2,054,683	\$ 2,052,790	\$ 2,051,150	\$ 2,057,162	\$ 2,059,847	\$ 1,401,179	\$ 2,095,179	5.7%
Total Expenditures	\$ 35,955,488	\$ 39,302,968	\$ 38,795,360	\$ 41,006,199	\$ 32,950,133	\$ 39,570,291	\$ 32,878,407	\$ 34,354,765	\$ 32,670,119	\$ 37,206,099	\$ 36,468,983	100.0%
Operating Income (Loss)	\$ 7,769,083	\$ 1,950,563	\$ 1,494,292	\$ (11,003,426)	\$ (2,167,902)	\$ (3,460,906)	\$ 979,533	\$ (1,452,712)	\$ (4,179,767)	\$ (9,768,333)	\$ (1,983,958)	
Other Financing Sources (Transfers)	\$ -	\$ 112,809	\$ -	\$ 6,664,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,997,644	\$ 1,677,458
Net Change in Fund Balance	\$ 7,769,083	\$ 2,063,372	\$ 1,494,292	\$ (4,339,297)	\$ (2,167,902)	\$ (3,460,906)	\$ 979,533	\$ (1,452,712)	\$ (4,179,767)	\$ 229,311	\$ (306,499)	
Fund Balance (Deficit) Beginning of Year	\$ 31,192,820	\$ 29,129,448	\$ 27,635,156	\$ 31,974,453	\$ 34,142,355	\$ 37,603,261	\$ 36,623,728	\$ 38,027,414	\$ 42,207,181	\$ 41,977,870	\$ 35,051,369	
Fund Balance (Deficit) End of Year	\$ 38,961,903	\$ 31,192,820	\$ 29,129,448	\$ 27,635,156	\$ 31,974,453	\$ 34,142,355	\$ 37,603,261	\$ 36,574,702	\$ 38,027,414	\$ 42,207,181	\$ 34,744,869	
Ending Fund Balance as % of Expenditures (1)	108.4%	79.4%	75.1%	67.4%	97.0%	86.3%	114.4%	106.5%	116.4%	113.4%	95.3%	
Ending Fund Balance at GFOA 25% Average(1)	\$ 8,988,872	\$ 9,825,742	\$ 9,698,840	\$ 10,251,550	\$ 8,237,533	\$ 9,892,573	\$ 8,219,602	\$ 8,588,691	\$ 8,167,530	\$ 9,301,525	\$ 9,117,246	
Ending Fund Balance as % = GFOA 25% Average (1)	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Excess Ending Fund Balance Vs. GFOA 25% Average (1)	\$ 29,973,031	\$ 21,367,078	\$ 19,430,608	\$ 17,383,606	\$ 23,736,920	\$ 24,249,782	\$ 29,383,659	\$ 27,986,011	\$ 29,859,884	\$ 32,905,656	\$ 25,627,624	
Excess % Fund Balance More (Less) than GFOA Average (1)	333.4%	217.5%	200.3%	169.6%	288.2%	245.1%	357.5%	325.8%	365.6%	353.8%	281.1%	
Cash & Cash Equivalents - End of Year	\$ 40,163,095	\$ 31,525,396	\$ 31,237,011	\$ 31,621,528	\$ 32,410,337	\$ 33,130,651	\$ 33,952,235	\$ 33,112,079	\$ 36,312,291	\$ 41,231,296	\$ 34,469,592	
Cash & Cash Equivalents as % of Expenditures (1)	111.7%	80.2%	80.5%	77.1%	98.4%	83.7%	103.3%	96.4%	111.1%	110.8%	94.5%	

Data Source: Audited Financial Reports - Ohio State Auditor GAAP Basis Governmental Funds

(1) Calculated Fields - GFOA is Government Finance Officers Association

City of Beachwood, Cuyahoga County, Ohio

Exhibit 'B'

Historical Report of Governmental Funds - Variance Report 2013 Vs. 10 Year Average

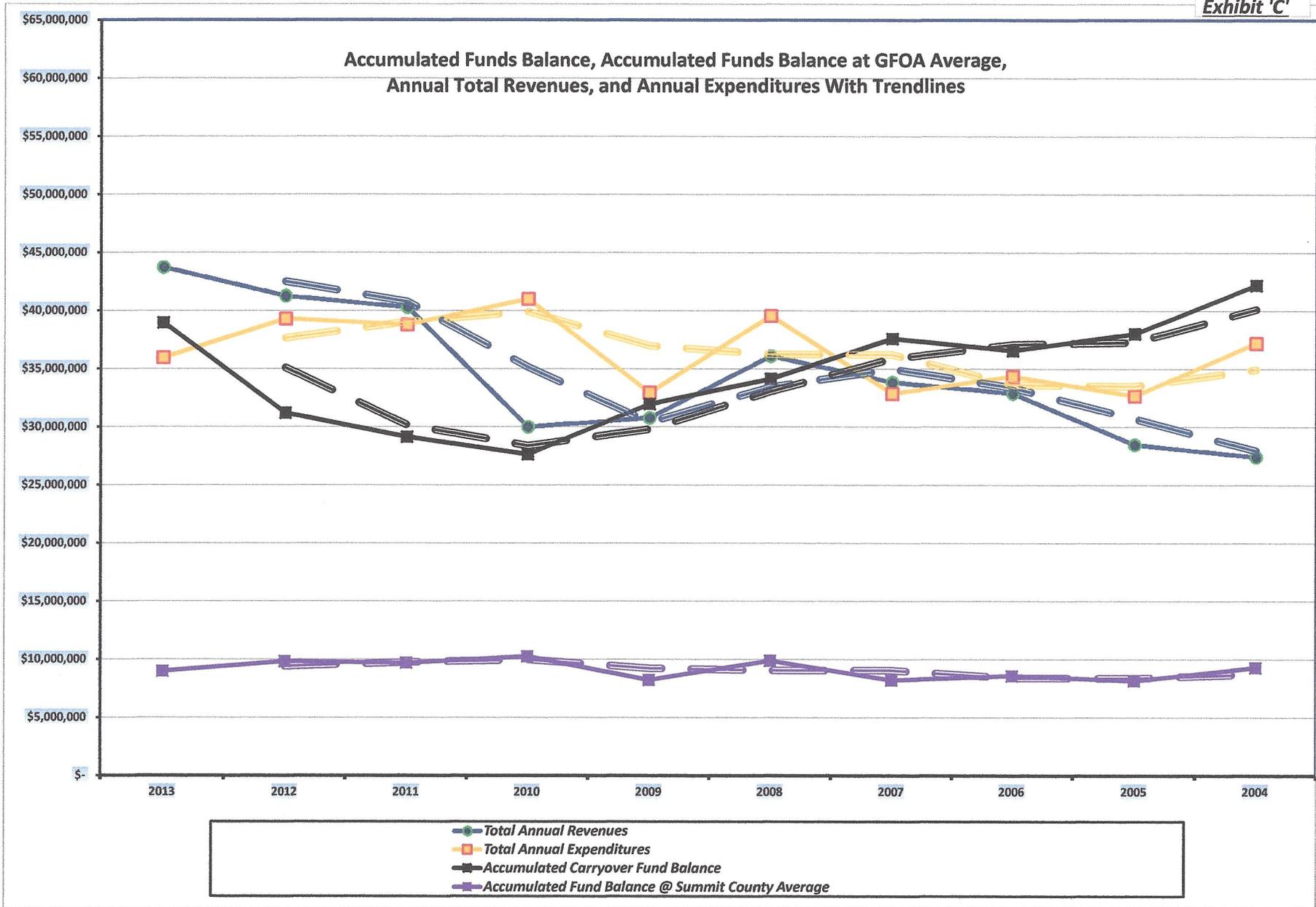
Description	2013	2013	10 Year	10 Year	Variance 2013	Variance 2013
	2013	% of Total	Average	% of Total	to 10 Yr Average	to 10 Yr %
Revenues:			(1)	(1)	(1)	(1)
Property Taxes	\$ 2,569,556	5.9%	\$ 3,092,979	9.0%	\$ (523,423)	-16.9%
Municipal Income Tax	\$ 29,578,663	67.6%	\$ 21,310,646	61.8%	\$ 8,268,017	38.8%
Charges for Services	\$ 2,218,880	5.1%	\$ 1,825,780	5.3%	\$ 393,101	21.5%
Fines, Licenses & Permits	\$ 2,367,813	5.4%	\$ 1,239,600	3.6%	\$ 1,128,213	91.0%
Intergovernmental	\$ 1,057,115	2.4%	\$ 2,329,380	6.8%	\$ (1,272,265)	-54.6%
Estate Taxes	\$ 2,757,334	6.3%	\$ 1,799,859	5.2%	\$ 957,475	53.2%
Admission Taxes	\$ 352,854	0.8%	\$ 178,410	0.5%	\$ 174,444	97.8%
Lodging Taxes	\$ 843,102	1.9%	\$ 447,289	1.3%	\$ 395,813	88.5%
Franchise Fees	\$ 127,499	0.3%	\$ 71,853	0.2%	\$ 55,646	77.4%
Rentals	\$ -	0.0%	\$ 105,588	0.3%	\$ (105,588)	-100.0%
Health Care Reimbursements	\$ 530,652	1.2%	\$ 100,972	0.3%	\$ 429,680	425.5%
Special Assessments	\$ 467,562	1.1%	\$ 817,783	2.4%	\$ (350,221)	-42.8%
Interest	\$ 177,324	0.4%	\$ 882,310	2.6%	\$ (704,986)	-79.9%
Other	\$ 676,217	1.5%	\$ 282,577	0.8%	\$ 393,640	139.3%
Total Revenues	\$ 43,724,571	100.0%	\$ 34,485,025	100.0%	\$ 9,239,546	26.8%
Expenditures:	\$ -		\$ -			
General Government	\$ 4,494,993	12.5%	\$ 4,074,056	11.2%	\$ 420,937	10.3%
Police-Public Safety	\$ 8,556,641	23.8%	\$ 7,480,150	20.5%	\$ 1,076,491	14.4%
Fire-Public Safety	\$ 6,620,419	18.4%	\$ 5,722,846	15.7%	\$ 897,573	15.7%
Public Services	\$ 8,700,525	24.2%	\$ 7,849,566	21.5%	\$ 850,959	10.8%
Health & Welfare	\$ 507,654	1.4%	\$ 551,748	1.5%	\$ (44,094)	-8.0%
Culture & Recreation	\$ 2,414,088	6.7%	\$ 2,169,709	5.9%	\$ 244,379	11.3%
Bldg. & Community Development	\$ 1,063,829	3.0%	\$ 959,692	2.6%	\$ 104,137	10.9%
Capital Outlay	\$ 1,291,946	3.6%	\$ 5,566,037	15.3%	\$ (4,274,091)	-76.8%
Debt Service Total	\$ 2,305,393	6.4%	\$ 2,095,179	5.7%	\$ 210,214	10.0%
Total Expenditures	\$ 35,955,488	100.0%	\$ 36,468,983	100.0%	\$ (513,495)	-1.4%
Operating Income (Loss)	\$ 7,769,083		\$ (1,983,958)		\$ 9,753,041	491.6%
Other Financing Sources (Transfers)	\$ -		\$ 1,677,458		\$ (1,677,458)	-100.0%
Net Change in Fund Balance	\$ 7,769,083		\$ (306,499)		\$ 8,075,582	2634.8%
Fund Balance (Deficit) Beginning of Year	\$ 31,192,820		\$ 35,051,369		\$ (3,858,549)	-11.0%
Fund Balance (Deficit) End of Year	\$ 38,961,903		\$ 34,744,869		\$ 4,217,034	12.1%
Ending Fund Balance as % of Expenditures (1)	108.4%		95.3%			

Data Source: Audited Financial Reports - Ohio State Auditor GAAP Basis Governmental Funds

(1) Calculated Fields

City of Beachwood, Cuyahoga County, Ohio

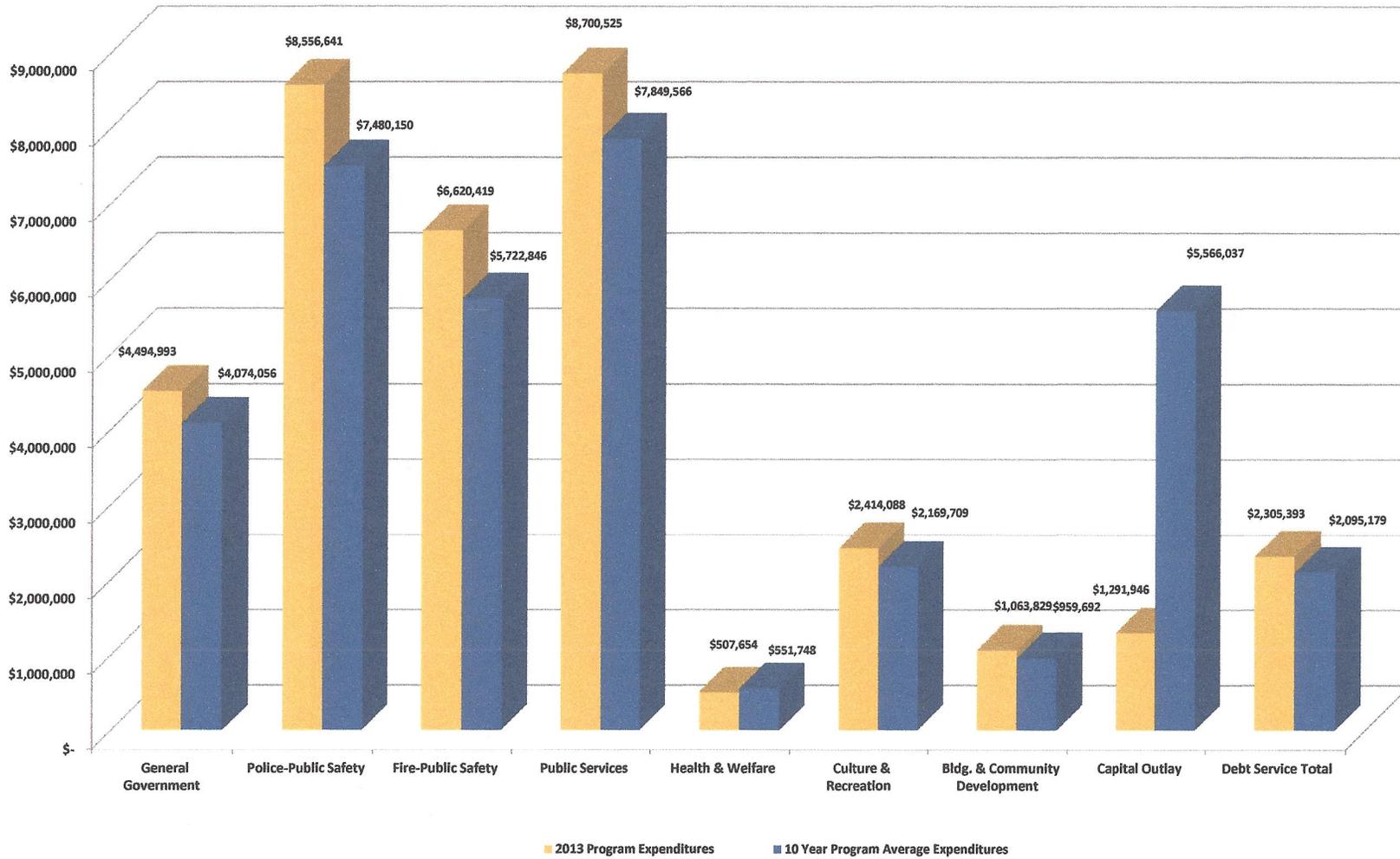
Exhibit 'C'



City of Beachwood, Cuyahoga County, Ohio

Exhibit 'D'

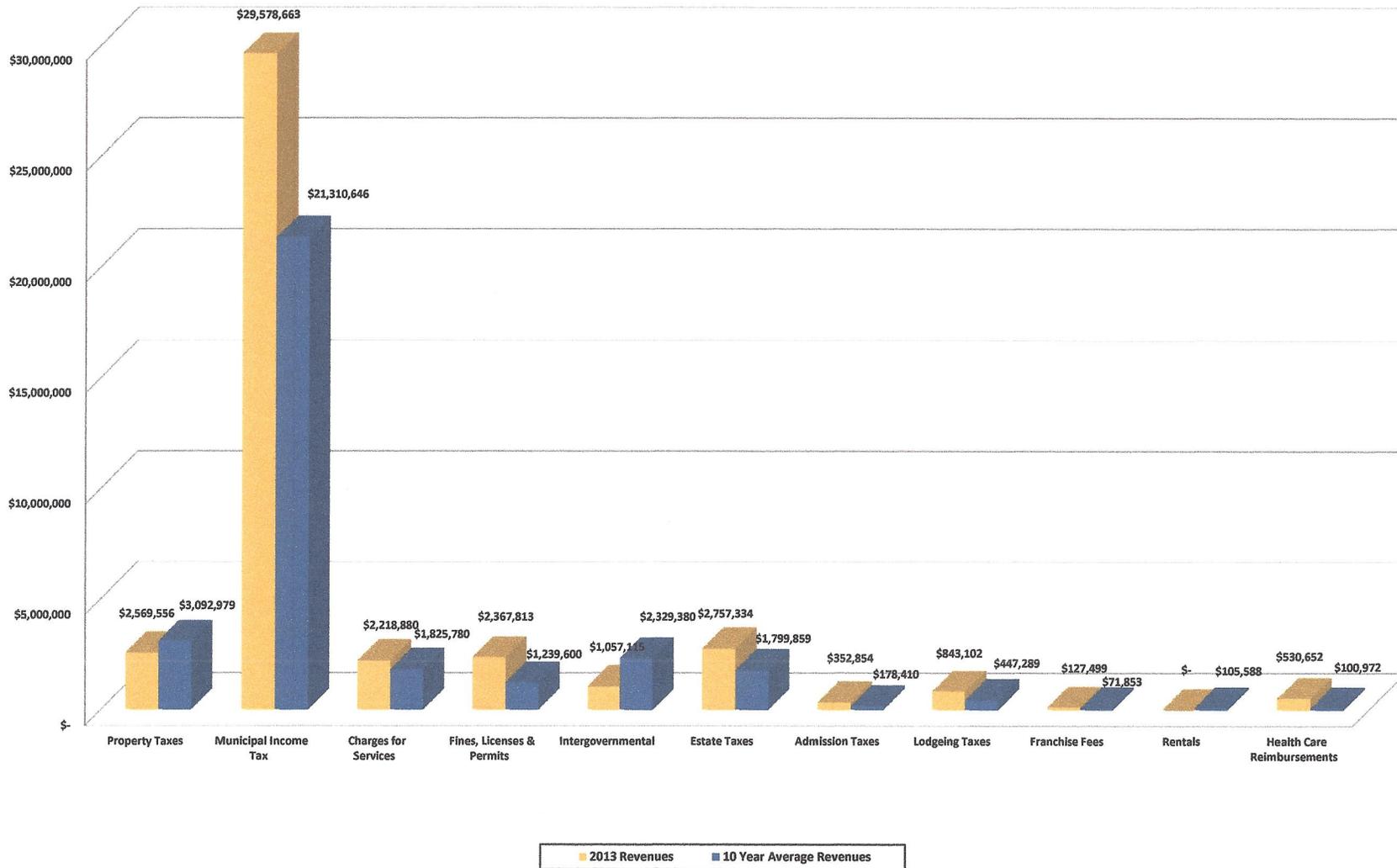
Comparative 2013 Vs. 10 Year Average Expenditures by Program



City of Beachwood, Cuyahoga County, Ohio

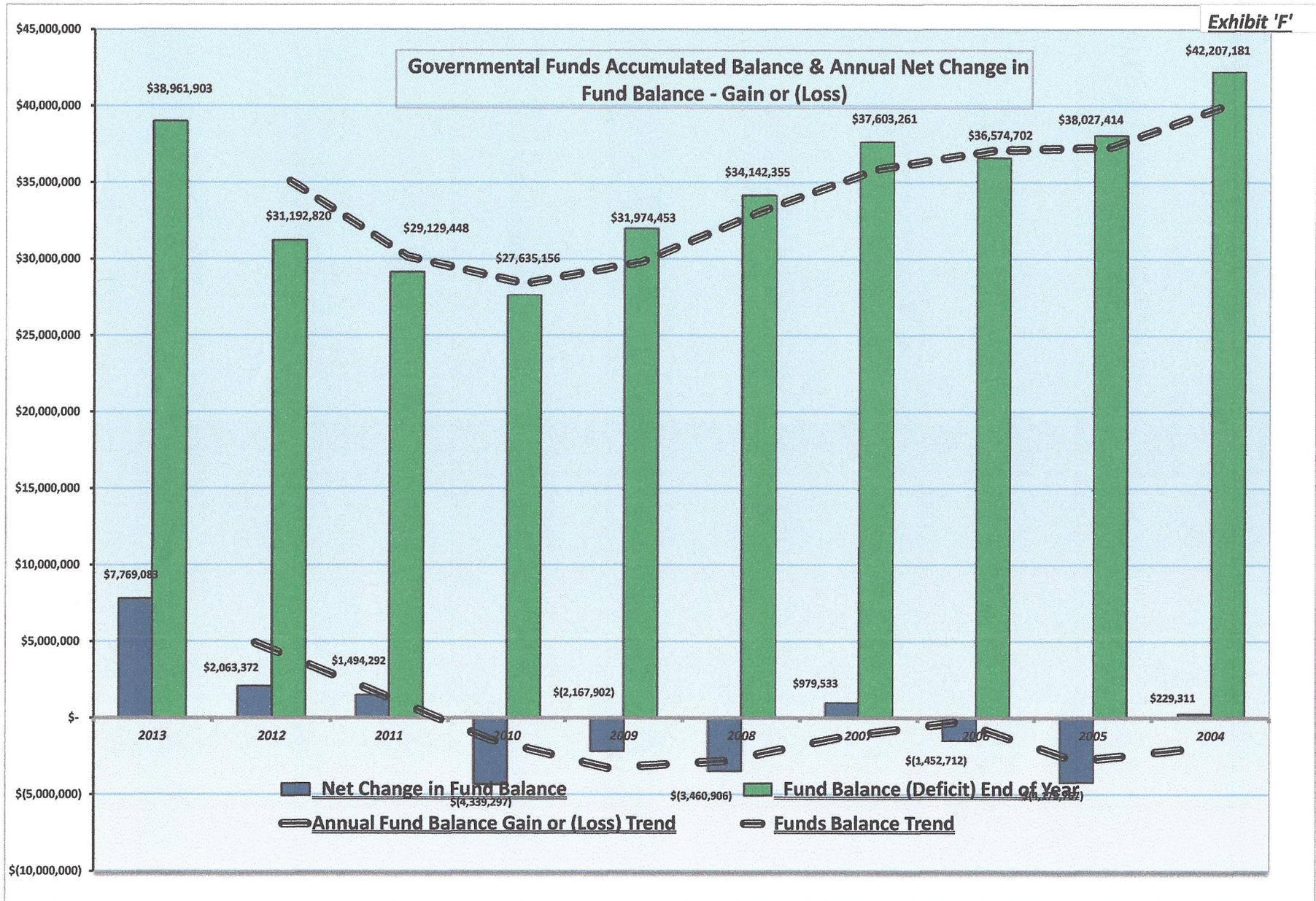
Exhibit 'E'

Comparative 2013 Vs. 10 Year Average Revenues by Source



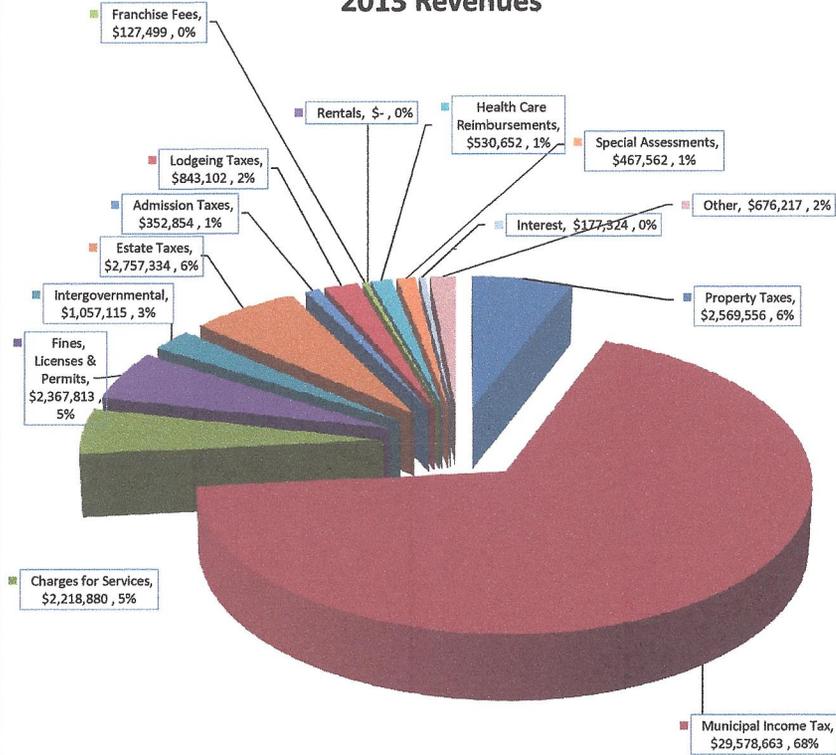
(1) Calculated Fields

City of Beachwood, Cuyahoga County, Ohio



City of Beachwood, Cuyahoga County, Ohio

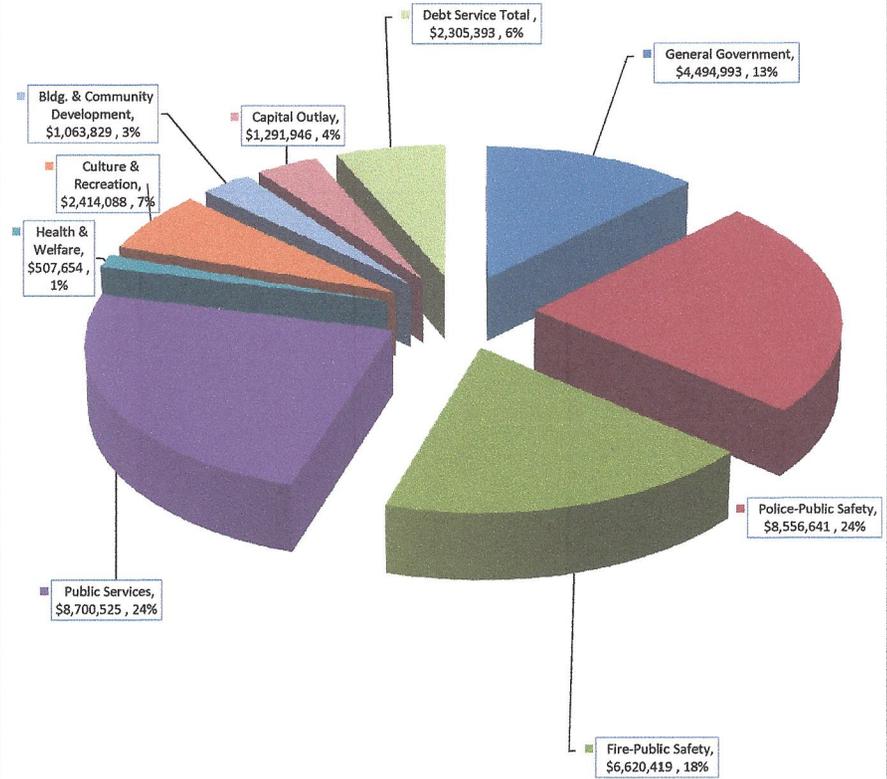
2013 Revenues



- Property Taxes
- Fines, Licenses & Permits
- Admission Taxes
- Rentals
- Interest
- Municipal Income Tax
- Lodging Taxes
- Health Care Reimbursements
- Other
- Charges for Services
- Intergovernmental
- Estate Taxes
- Franchise Fees
- Special Assessments

2013 Expenditures by Program

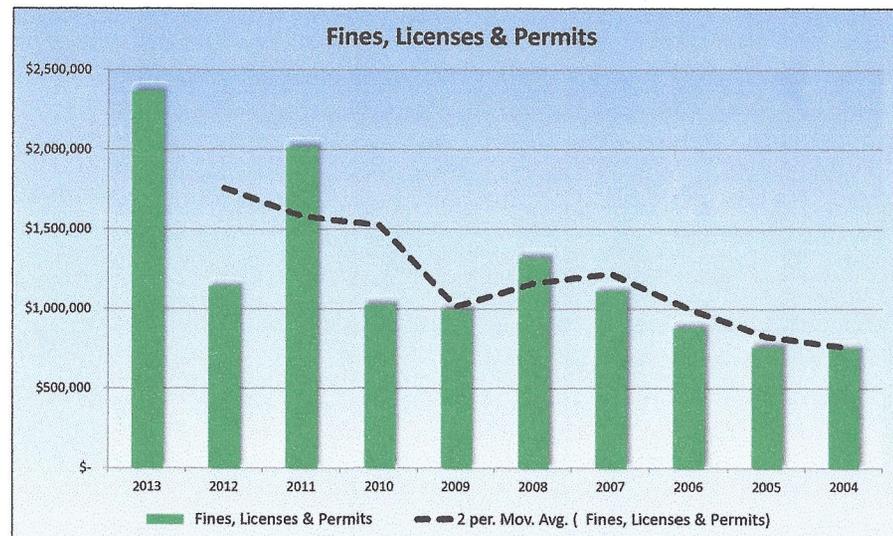
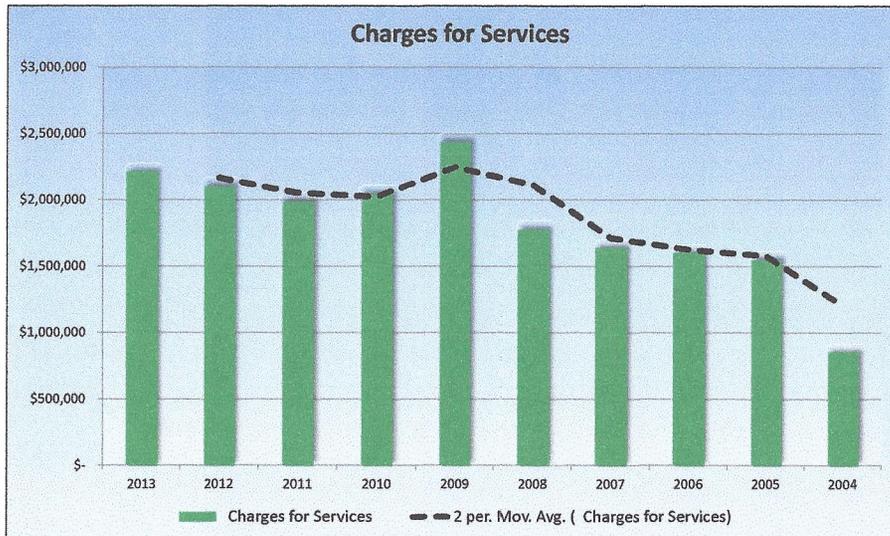
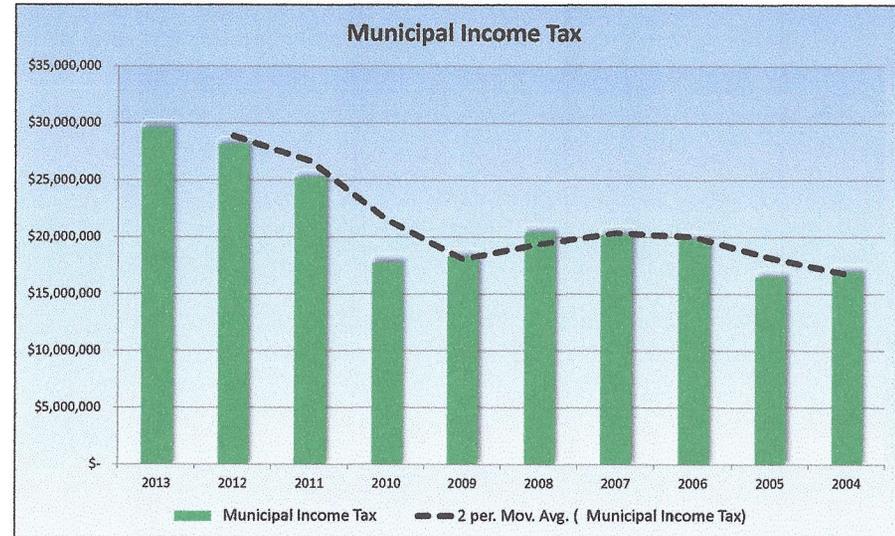
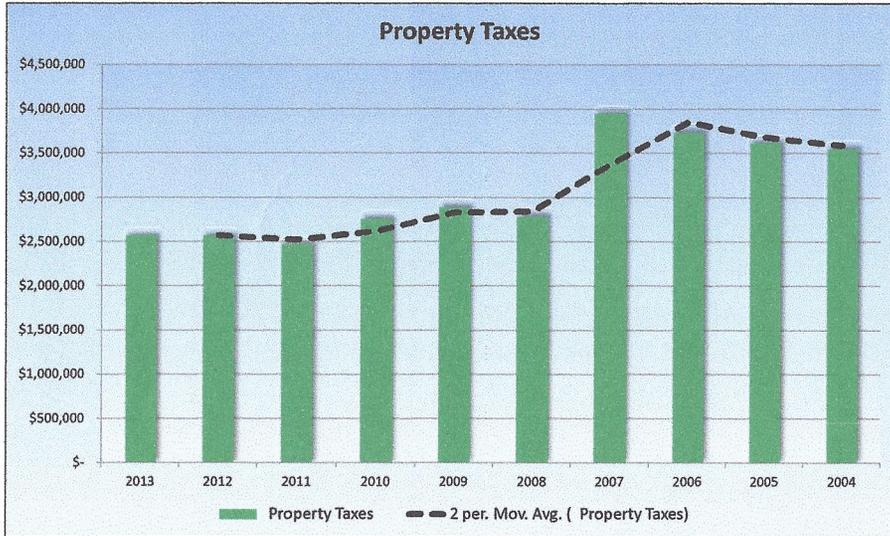
Exhibit 'G'



- General Government
- Fire-Public Safety
- Health & Welfare
- Bldg. & Community Development
- Debt Service Total
- Police-Public Safety
- Public Services
- Culture & Recreation
- Capital Outlay

Exhibit 'H'

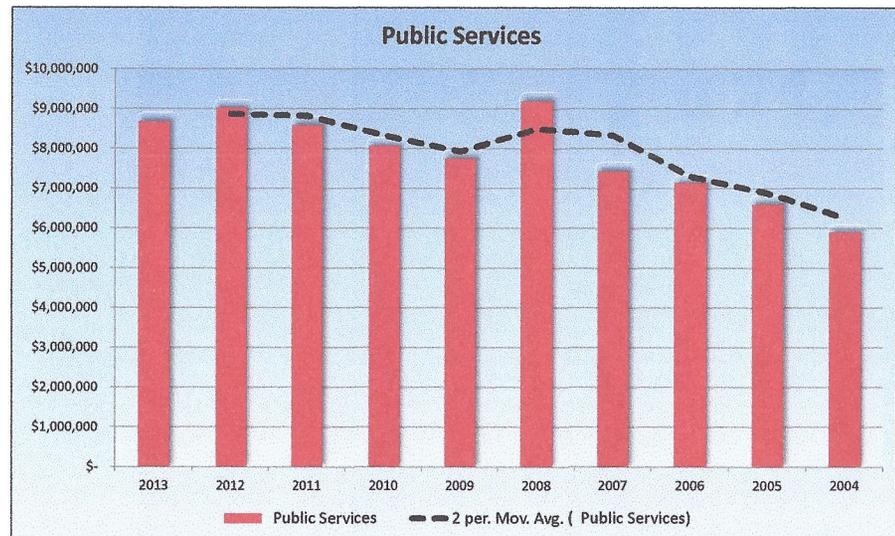
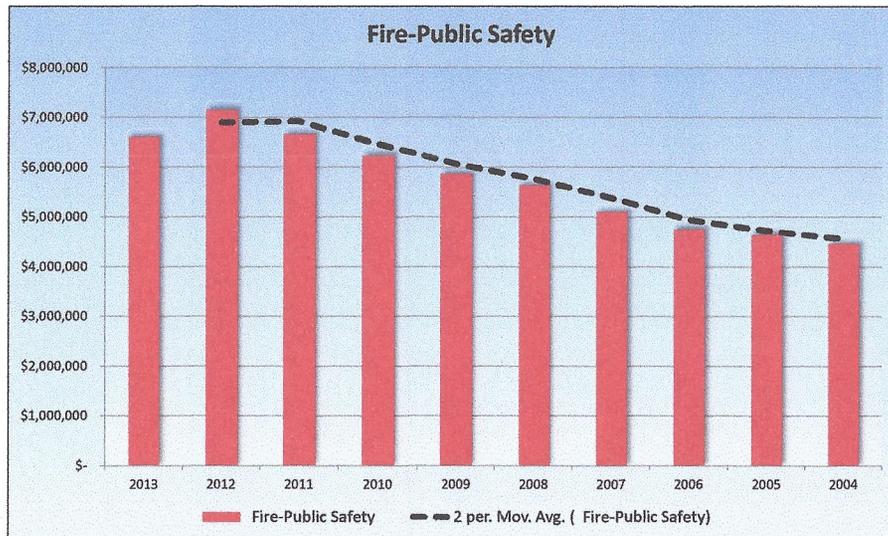
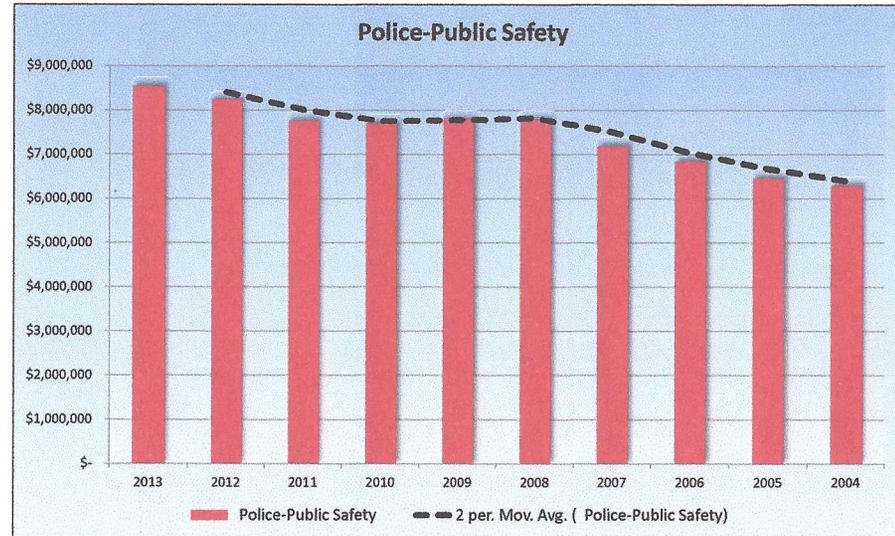
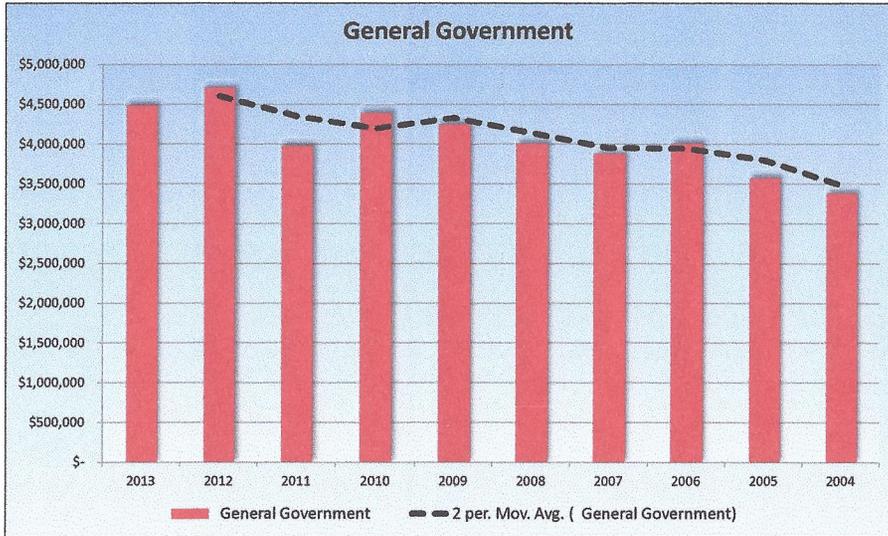
Historial Major Revenue Source Graphs



City of Beachwood, Cuyahoga County, Ohio

Exhibit 'I'

Historical Major Program Expenditure Graphs



City of Beachwood, Cuyahoga County, Ohio

Exhibit 'J'

Historical Major Program Expenditure Graphs

