

**BEACHWOOD CITY
SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2020**

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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(800) 282-0370

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

We have reviewed the *Independent Auditor's Report* of the Beachwood City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Beachwood City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

December 14, 2020

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Agriculture</u>					
<i>Passed through Ohio Department of Education</i>					
Child Nutrition Cluster:					
National School Lunch Program	10.555	60,267	30,666	60,267	30,666
COVID-19 - National School Lunch Program	10.555	27,579	0	27,579	0
Total Child Nutrition Cluster		<u>87,846</u>	<u>30,666</u>	<u>87,846</u>	<u>30,666</u>
Total U.S. Department of Agriculture		<u>87,846</u>	<u>30,666</u>	<u>87,846</u>	<u>30,666</u>
<u>U.S. Department of Education</u>					
<i>Passed through Ohio Department of Education</i>					
Title I - Grants to Local Educational Agencies	84.010	93,005	0	92,218	0
Special Education Cluster (IDEA):					
Special Education - Grants to States	84.027	492,530	0	491,017	0
Special Education - Grants to States - Restoration	84.027	106,029	0	106,029	0
Total Special Education - Grants to States		<u>598,559</u>	<u>0</u>	<u>597,046</u>	<u>0</u>
Special Education - Preschool Grants	84.173	5,947	0	5,947	0
Special Education - Preschool Grants - Restoration	84.173	220	0	220	0
Total Special Education - Preschool Grants		<u>6,167</u>	<u>0</u>	<u>6,167</u>	<u>0</u>
Total Special Education Cluster		<u>604,726</u>	<u>0</u>	<u>603,213</u>	<u>0</u>
English Language Acquisition State Grants (Title III)	84.365	18,062	0	18,062	0
Improving Teacher Quality States Grants, Title II-A	84.367	33,570	0	33,570	0
Student Support and Academic Enrichment, Title IV	84.424	10,510	0	8,770	0
Total U.S. Department of Education		<u>759,873</u>	<u>0</u>	<u>755,833</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 847,719</u>	<u>\$ 30,666</u>	<u>\$ 843,679</u>	<u>\$ 30,666</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Beachwood City School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Beachwood City School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Beachwood City School District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3: INDIRECT COST RATE

Beachwood City School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE 5: FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

JAMES G. ZUPKA, C.P.A., INC.

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

To the Members of Board of Education
Beachwood City School District
Beachwood, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the 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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2020, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

November 3, 2020

JAMES G. ZUPKA, C.P.A., INC.

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of Board of Education
Beachwood City School District
Beachwood, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the Beachwood City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2020. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Beachwood City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 3, 2020, which contained unmodified opinions on those financial statements, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James G. Zupka, CPA, Inc.
Certified Public Accountants

November 3, 2020

**BEACHWOOD CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 UNIFORM GUIDANCE
 JUNE 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

2020(i)	Type of Financial Statement Opinion	Unmodified
2020(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2020(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2020(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2020(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2020(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2020(v)	Type of Major Programs' Compliance Opinions	Unmodified
2020(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2020(vii)	Major Programs (list): Special Education Cluster (IDEA) - CFDA #84.027 & #84.173	
2020(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2018(ix)	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.

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The audit report for the fiscal year ending June 30, 2019 contained no audit findings or Management letter recommendations.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2020



Prepared by Treasurer's Department

Michele E. Mills, Treasurer/CFO
Kathleen Stroski, Assistant Treasurer
April Yuhas, Payroll
Rita Miklacic, EMIS
LaJour Sims, Accounts Payable

24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

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BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
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INTRODUCTORY

SECTION

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**BEACHWOOD CITY SCHOOL
DISTRICT**

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Beachwood, OH 44122
Phone: 216.464.2600

November 3, 2020

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

Dear Board Members:

The comprehensive annual financial report of the Beachwood City School District (the “School District”) for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

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

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

The School District

The School District was formed in 1915 and is located in a prosperous suburban area east of Cleveland, Ohio. The community’s tax base is evenly distributed between commercial and residential property. The School District serves 1,619 students from Pre-K through 12th grade in five instructional facilities.

Major Initiatives

Mission and Vision

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

Board of Education Goals

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

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

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

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

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

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

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

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

Major Initiatives and Accomplishments

Academic Distinctions

The value Beachwood's community places on education is the foundation for our work and our success. Beachwood Schools' impressive array of course offerings, quality programs, and extracurricular activities match those of much larger public schools. At the same time, Beachwood's relatively small size ensures that we can offer educational opportunities to meet the needs of each student. This is why our schools are often compared to the finest private schools in the area.

Beachwood High School's graduation rate for the class of 2020 was 100%. Our high school administers 28 Advanced Placement exams and hosts 21 honors-level courses across various content areas. In addition, the University Hospitals-Beachwood High School Medical Academy and the Design & Innovation Program in partnership with Cleveland State University's Washkewicz College of Engineering offer our students unique learning experiences.

National Blue Ribbon Award

We began the 2019-2020 school year celebrating our Beachwood Middle School students, families, and staff for earning the prestigious National Blue Ribbon School designation from the U.S. Department of Education! Many thanks to former Principal Paul Chase and teachers Garth Holman, Michele Karim, Rob Ristau, and Kate Vitek who completed our school's submission. These five staff traveled to Washington, D.C. to proudly receive our award from U.S. Secretary of Education Betsy DeVos in November.

Beachwood Middle School Redesignated an Ohio School to Watch

The Ohio Department of Education (ODE) once again named Beachwood Middle School an Ohio School to Watch, our middle school's fourth designation! After a written application and onsite review from an ODE team, Principal Tony Srithai and our middle school staff were notified of the redesignation in January. The ODE noted "the continued dedication of your staff and leadership" and that the middle school has "a multi-tiered system of support to assure all students reach potential," that "[t]here are multiple services available to support health, social, emotional and intellectual progress," and that the "[s]tudent culture is inclusive of all" with an "intentional effort to have families with diverse cultures actively participate in school events." We are proud of this designation and thankful to work with such terrific students and families.

Fairmount Preschool Earns 5-Star Rating

Congratulations to Preschool Director Karen Leeds and her staff for earning another Step Up To Quality (SUTQ) five-star quality rating! The SUTQ rating and improvement system is administered by the Ohio Department of Education and the Ohio Department of Job and Family Services. SUTQ recognizes and promotes learning and development programs that meet quality program standards that exceed preschool licensing and school age child care licensing health and safety regulations. We are proud of our top-rated Fairmount preschool!

Beachwood Named "Best Community for Music Education"

For the 15th straight year, Beachwood school district was named among the "Best Communities" in the nation for music education. The award program recognizes outstanding efforts by teachers, administrators, parents, students and community leaders who have made music education part of a well-rounded education. Thank you to the Beachwood community for supporting an exceptionally high commitment and access to music education.

Orchestra Performs with CWRU at The Maltz Performing Arts Center

The BHS Orchestra, under Director Lisa Goldman, engaged in a phenomenal collaboration with Case Western Reserve University's Symphony Orchestra, performing for the public at the beautiful Milton and Tamar Maltz Performing Arts Center, formerly "Silver's Temple."

District Provides Bison ACT Roadmap

This past school year, Beachwood Schools committed in new ways to helping our students perform at their best on the ACT, opening up opportunities at selective colleges for merit-based scholarships and, in some cases, for NCAA eligibility. The Bison ACT Roadmap was a new initiative to expand access to high quality, affordable ACT preparation for all Beachwood High School students. We are excited to see how the opportunities afforded to those who participated will be revealed in the years to come.

Beachwood Juniors Earn Perfect ACT Scores

Two Beachwood Juniors, Somin Jung and Jake Lawrence, both earned PERFECT total composite scores on the ACT! Just ½ of 1% of nearly 2 million ACT test takers earn a perfect score. The total composite score is the average of four ACT tests - English, mathematics, reading and science.

BMS Student Receives Heroism Award

Faisal Alazawi, Grade 6, was honored for his heroism by Mayor Martin Horwitz, Fire Chief Holtzman, and Police Chief Haba after he helped a classmate who had a medical emergency on the school bus last November.

Stop The Hate Essay Contest Winners

Seven Beachwood students were winners of the Maltz Museum of Jewish Heritage's 2020 Stop The Hate Essay Contest, designed to create an appreciation and understanding among people of differing religions, races, cultures, and socioeconomic backgrounds.

By challenging young people to consider the benefits of a more inclusive society, the consequences of intolerance, and the role of personal responsibility in effecting change, the contest also reflects the values of responsible citizenship and respect for all humanity.

- 10th Grade: 1st Place - Bowen Zhang, 2nd Place - David Kuang
- 8th Grade: 1st place - Probir Mukherjee, 3rd place - Tolga Cavusoglu
- 7th Grade: 1st place - Eden Austin, 2nd place - Kelsey Cohen, 3rd place - Radha Pareek

We are proud of our finalists who “create an appreciation and understanding among people of differing religions, races, cultures and socioeconomic backgrounds.”

Martin Luther King, Jr. Essay Contest

Beachwood students won seven of the nine awards in the 30th Annual Martin Luther King, Jr. Essay Contest, which was sponsored by East View United Church of Christ in Shaker Heights. Congratulations to Tolga Cavusoglu (BMS), Ethan Chan (Hilltop), Lauren Clar (BHS), Asher Hardis (Hilltop), Annaya Jain (Hilltop), Eva Ptahia (BMS), and Luc Vega (BMS). Many thanks to East View UCC for sponsoring this meaningful experience and for the congregation’s generosity in awarding more than \$1,575 in scholarships.

Princeton Prize in Racial Relations

Senior Elizabeth Metz earned the prestigious Princeton Prize in Racial Relations for her creation of “‘The Breaking Barriers Project,’ a platform for students across the United States to create conversation on topics of diversity, inclusion, race, gender, sexuality and religion. In the 2019-20 school year, the Breaking Barriers Project launched a digital web series entitled ‘What I Wish You Knew,’ which utilize[d] perspectives of diverse students to promote understanding and learning across a broader audience.”

Diversity Center of Northeast Ohio Award

Senior David Kuang was a first-place winner of the Diversity Center’s “Promoting Change” competition. Participants answered the question, “How can you promote change in your community on issues of diversity, equity and inclusion?” David’s winning essay was entitled, “Fighting Bigotry and Promoting Equality in the 21st Century.”

INTERCULTURAL AWARENESS:

Equity & Engagement Teams

Equity & Engagement Teams were formed to provide the district with insight into the implications district practices have on the various affinity groups each member represents. The work of these teams was and is to proactively identify opportunities for inclusion in the Beachwood Schools. Moreover, the teams will initiate meaningful, open and honest dialogue that will identify ways to strengthen connections among the Beachwood community. Each of our buildings started a Teacher as well as a Parent Equity & Engagement Team. In addition, BHS, BMS, and Hilltop started Student Equity & Engagement teams. Each team comprises diverse representations of the various affinity groups that comprise our district.

Student Rally for Educational Equity

This summer, our district hosted and supported a student-led “Rally for Educational Equity.” Students from Hilltop, Beachwood Middle School, as well as Cassidy Gilliam (graduated Senior) and Carrington Peavy (rising Senior) from the Beachwood High School MAC Scholars issued a challenge to our teachers, administrators and parents to improve our district’s inclusiveness. Each student gave impassioned speeches about what “educational equity” would look like in Beachwood Schools. Later on, these same students addressed our entire district staff during the return to school convocation. While many of their requests were already underway, staff attendees walked away with a sense of urgency to make progress NOW on this important work.

Grow Your Own Program

During the 2019-2020 school year, Beachwood Schools established a unique partnership with Ursuline College, a “Grow Your Own Program” that aims to help district staff members achieve their professional goals and provide a pipeline of our own talented, hard-working staff to fill positions that open within our school system.

Benefits for Beachwood employees include;

- 30% tuition discount
- Deferred payments if the employee has tuition reimbursement option
- Master’s degree courses taught at Beachwood High School after school hours
- Ability to fulfill teaching and educational administration field experience hours in Beachwood Schools

In addition, the partnership’s member schools were awarded a \$50,000 Human Capital Strategic Grant to recruit underrepresented and minority individuals within their districts to become teachers.

Staff Diversity

Before the beginning of the 2020 hiring season, Beachwood Schools administrators reviewed the district's hiring practices. After several years of building a more diverse professional network of potential candidates and incorporating a behavioral-based interviewing process, our 2020 hiring yielded six new teachers and a school counselor from underrepresented groups. The behavioral-based process helped our district identify interview questions that might bias the selection process. Overall our district’s goal is to employ a teaching and administrative staff that is reflective of our student population.

Implicit Bias Training and Reduction

Throughout the 2019-20 school year, Beachwood Schools staff participated in professional development centered around bias awareness training. We were fortunate to have Class of 1983 Beachwood High School graduate, Stanford professor, and award-winning social psychologist Dr. Jennifer L. Eberhardt provide us with practical information on identifying and reducing bias. Dr. Eberhardt is one of the world’s leading experts on unconscious bias. She is the author of the book, *Biased: Uncovering the Hidden Prejudice that Shapes What We See, Think, and Do* and has made many national appearances sharing her knowledge on the topic of implicit bias. In addition to leading our staff during in-service training sessions throughout the year, Dr. Eberhardt met with our Equity & Engagement Teams, including book discussion sessions. Each member of our Equity & Engagement Teams received a copy of her book through a generous donation by the Beachwood Schools Foundation.

Equitable Access to Advanced and Accelerated Courses

Throughout the 2019-20 academic school year, district and building leaders reviewed our practices for assigning students to advanced and accelerated courses. The purpose of this review was to determine the cause for low participation of students from underrepresented groups. The district determined that shifting to the gifted cluster model of instruction would provide more equitable access. Another adjustment was to incorporate the use of multiple assessment instruments to identify students showing the potential to perform at high levels in accelerated math and science courses. Overall, these changes led to an increase in the number of minority students participating in advanced and accelerated courses and these processes will be utilized moving forward to continue our effort to achieve educational equity.

Beachwood Hosts ESOL and Citizenship Classes

Every Tuesday and Thursday from September 2019 through the unfortunate closure of schools in March, Beachwood Schools hosted English for Speakers of Other Languages and United States Citizenship classes in partnership with the Cuyahoga County Public Library system. We are proud to share space with more than 30 community members from all over the globe who are learning English and studying to become citizens of our nation!

MENTAL HEALTH:

Restorative Practices and Community Circles Creating Positive School Culture

This past year, Beachwood Schools engaged in additional training for staff on restorative practices and expanded our implementation of positive behavior support practices. In December, staff were trained by education consultant Kelvin Oliver about restorative practices that connect to our initiatives supporting student mental health as well as equity. Mr. Oliver focused our attention on the critical importance of the teacher-student relationship and provided practical strategies for how to enhance connections within our classroom communities. Throughout the second semester, staff and students put this training into motion through community circles, respect agreements and restorative discipline strategies.

Social-Emotional Learning, Wellness and Prevention Education

Beachwood counselors and teachers focused their attention on integrating social-emotional learning activities into their weekly classroom lessons to help our students develop the skills and abilities that they need to set goals, manage emotions, build relationships and make responsible choices. Each month, staff engaged in professional development that targeted relevant mental health topics appropriate for the age groups in each building such as executive functioning, trauma, resilience and coping strategies.

Dr. Miriam Mandel continued her work with Beachwood Schools this past year through afterschool youth-led wellness and programming at the high school and middle school and weekly “Wellness Wednesday” online sessions for staff which focused on mindfulness, meditation and self-care activities. Beachwood parent, Missy Bystrom, generously provided our staff with eight weeks of daily meditation/wellness sessions at the end of the school year.

Crisis Intervention, Suicide Awareness, and Trauma Training

During the 2019-2020 school year, school counselors, psychologists and other staff participated in various crisis intervention and trauma training programs. Suicide awareness and prevention instruction took place across all grade levels as well. “Life Space Crisis Intervention” training, sponsored by Positive Education Program, took place with Hilltop School teaching staff. Counseling lessons and activities at Bryden and Hilltop were derived from the Sandy Hook Promise “Start with Hello” program, which is designed to raise awareness about social isolation and to educate students about how to prevent it.

In March, the Chagrin Valley Conference hosted the mental health summit, “You’re Not Alone” at Beachwood High School. Spearheaded by Director of Athletics Ryan Peters, conference topics included: understanding and responding to adverse childhood experiences, relationship building, identifying stressors, teaching resilience, and building support teams.

Now, as we begin the 20-21 school year with blended learning, virtual instruction, safe-distancing COVID plans and daily sanitizing practices shaking up our once comfortable back-to-school routines, we recognize that mindfulness and wellness activities will be even more important than ever. Students of all ages were welcomed back to school by their teachers with relationship and community building activities embedded into their daily lessons. Designed to establish a sense of belonging, trust, and open communication, these classroom based activities foster greater self-awareness and an appreciation for others.

Likewise, plans are underway to continue work on mental health initiatives through a Prevention Grant obtained through the Ohio Department of Education that will expand our schools partnerships with the ADAMMS Board, Bellefaire’s Social Advocates (SAY) for Youth Program, and the Cornerstone of Hope. Prevention Grant funds will be used for the entire continuum of prevention services to support students, faculty, and our school community. Beachwood Schools has increased our consultation services this year with Christine Ruma-Cullen, Director of SAY Programs at Bellefaire to target higher risk populations and those students with early signs and symptoms related to mental health concerns.

The district has earmarked funds for the purchase and training of evidence-based prevention curricula and to develop parenting educational activities and programs that will expand familiar programs like National Suicide Prevention Month (September), Alcohol Awareness Month (April), and Mental Health Awareness Month (May). Moreover, Laura Serazin from the Cornerstone of Hope will lead the formation of Regional School –Collaborative Crisis Response Teams.

EXTRACURRICULARS:

Beachwood Middle School Robotics Team

The BMS Robotics Team, *TechNoLogic*, won the Champion's Award (overall best award) and Robot Performance Award at the Aurora Regional Qualifying Tournament. Kudos to parent coaches Cenk Cavusoglu and Xiaojuan Li, and team members Tolga Cavusoglu, Jonathan Mo, Strahinja Dimitrijevic, Sara Kumar, David You, and Nishan Shrestha.

Destination Imagination Success

Beachwood hosted the huge Destination Imagination (DI) regional tournament in early March and a whopping seven Beachwood teams qualified for the state DI tournament. Bryden School also fielded seven Rising Stars (non-competitive) teams who did a wonderful job.

Beachwood High School Student Newspaper Earns Top Awards

Our high school newspaper, *The Beachcomber*, won 1st Place Newspaper and 1st Place Website as well as over 30 individual journalism, design and layout awards. The Ohio Scholastic Media Association determines these annual honors. High school English teacher Josh Davis is the paper's advisor.

Stock Market Club

Seniors Nikhil Murali, Gabe Colemanares, and Stephanie Yen, and club advisor John Kaminski, won the Ohio Stock Market Challenge. Every year, the Beachwood High School Stock Market Club participates in several stock market-related contests. Last spring, the team of three won the Ohio Stock Market Challenge sponsored by Ashland University. In doing so, they beat out over 400 high school and middle school teams from both public and private schools across the state of Ohio. Although facing the pandemic's bear market, the team posted an amazing 119% return on their investments, beating the second place team by over 30 points.

ATHLETICS:

Fall Season

Our volleyball team shattered almost every school record, as they had the best season in school history, finishing as CVC Champs and District Runner Up with a 21-2 record. Cassidy Gilliam, Nicole Petty, Erion Gibson and Kymani Miller all broke school records. Coach Tiffany McFarland was awarded CVC and News Herald Coach of the Year honors.

Our football team earned five 1st Team All CVC honors (Dawann Gray, Jr., Jack McPhillips, Te'Jamere Nash, Antonio Roscoe, and Letraize Walker), 7 All District honors (Dawann Gray, Jr., Willtrell Hartson, Marcus Moore, Te'Jamere Nash, Antonio Roscoe, Letraize Walker, Kendyn Wiggins), while Dawann Gray, Jr., Letraize Walker and Marcus Moore earned 2nd Team and 3rd Team All Ohio honors, respectively. Our football team finished the season 8-2 tying the team's second best record and advancing to the OHSAA State Playoffs for just the fourth time. Bison kicker, Spencer Kornspan recorded 10 extra points in a single half of a football game, breaking a school and state record.

In girls and boys soccer, six Bison earned 1st Team All CVC honors (Ashley Perryman, Romi Roth, Sydney Sarver, Luke Bennett, Ivan Thal and Matt Young) while Sydney Sarver was the fourth player in team history to reach 100 points and Ivan Thal received 2nd Team All District honors.

In boys golf, James O'Neill and Matt Blumenthal earned 1st Team All Conference while advancing to Districts. Our cross country runners, Emily Isaacson and Caleb Berns both advanced to the OHSAA Regional Championships, while girls tennis players Emily Fan and Anna Owens advanced to the OHSAA Districts and Coach Kevin Vaughn earned CVC Coach of the Year.

Winter Season

During the winter season, the Bison Indoor Boys and Girls Track Teams finished as State Champions at the Division II/III OATCCC State Championships, the first time that any school has ever won both the boys and girls state title in the same year. We crowned three individual State Champions, Ashley Perryman (200 Meter Dash & Long Jump), Maddie Alexander (High Jump) and Christian Mayfield (Triple Jump) and all three also broke school records along with Freddie Lenix, Jr. (60 Meter Dash), Elizabeth Metz (Weighted Throw) and our 4x800 Relay (Greg Perryman, Caleb Berns, Jack McPhillips and Fernando Duraes).

Our Swimming and Diving teams also had a record breaking season as our team broke six school records: Emily Fan (100 Breaststroke), Amanda Leizman (Diving), Gabe Colmenares (100 Fly), 400 Freestyle Relay (Gabe Colmenares, Viet Nguyen, Grady Bystrom, Matt Keyerleber), 200 Medley Relay (Gabe Colmenares, Viet Nguyen, Sam Ornstein, Matt Keyerleber) and the 200 Medley Relay (YingYing Gao, Emily Fan, Shannon O'Neill, Abby Adams). The Bison had seven athletes (Sam Ornstein, Seth Warner, Gabe Colmenares, Amanda Leizman, Grady Bystrom, Matt Keyerleber and Viet Nguyen) earned All Ohio Honors and a trip to the OHSAA State Championships, where Amanda Leizman finished 8th in the State in diving. The Bison Boys Swim Team captured its first ever CVC Conference Championship and Coach Brad Burget was honored as CVC Coach of the Year.

Wrestlers James Flowers and Elijah Durham Harris both advanced to the District Championships, while girls basketball standout Madison Prince earned CVC 1st Team and All District Honors. Boys Basketball star Daryl Houston was crowned CVC MVP and 2nd Team All Ohio, while Coach David Krasnow earned Northeast Lakes Division II Coach of the Year.

Beachwood Leading Sportsmanship Charge in CVC

Beachwood Schools continued to lead the charge within our athletic conference, the Chagrin Valley Conference (CVC), to establish a common set of sportsmanship expectations for athletes, coaches, and fans. A leadership group of CVC student-athletes generated the following expectations and each school is responsible for promoting these values: Respect Everyone – Always, Demonstrate Leadership, Take Responsibility, Be a Role Model, Encourage Others. CVC schools also collaborated to enhance safety and security measures at games.

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2019 financial statements.

Accounting and Budgetary Controls

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

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

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

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

Long-Term Financial Planning

The School District is required by law to submit for Board approval a five year forecast which delineates projected revenues, expenditures and anticipated timing for new property tax ballot issues. The five year forecast must be approved by the Board of Education on or before November 30th of each school year and must be amended as necessary by no later than May 31st of each school year. School districts are not able to enter into contracts unless the School District demonstrates financial ability to pay for the contract over the life of the contract. The School District cannot include anticipated revenue through ballot issues as part of its certification of funds process. The School District's audit committee has recommended to the Board of Education that if any year in the five year forecast shows a fund balance below 25% of operating funds, that the Board of Education meet to discuss reducing costs and/or raising revenues through an operating levy.

The School District passed a 5.9 mill operating levy in November 2018 which allows the district to continue its programming and services to students. The levy generates \$4.3 million annually commencing calendar year 2019. The district had not been on the ballot for an operating levy in 13 years. Elimination of state funding and increasing unfunded mandates forced the district to go back on the ballot to seek additional operating revenues. The current five year forecast shows a deficit fund balance projected in Fiscal Year 2024.

Significant Local Economic Events

There are some bright spots on the horizon as the City continues to enjoy economic development. The commercial tax duplicate has increased by 3.1% mainly due to new commercial construction in the City. However, the City passed legislation creating a Community Reinvestment Area (CRA) in the southern portion of the City which allows up to a 50% waiver of property taxes for improvements approved in advance by the City. The School District had no role in approving this waiver as Ohio law does not compel a City to seek School Board approval if the property tax waiver is 50% or less. The School District however, will receive 50% of all new income taxes generated by the improved property within the CRA for companies that exceed \$1 million in payroll. The income tax sharing threshold is required by State law. One commercial property owner's income tax exceeds the \$1 million payroll threshold and the City remitted \$16,637 in income taxes to the School District.

The City is now pursuing expansion of its CRA agreement to include other commercial areas in the City. The School Board has been in negotiations with the City to mitigate financial losses for the Schools. The negotiations thus far have proven to be very thoughtful and open and the district anticipates that the City will attempt to make the school district whole if possible.

The community's tax base is fairly evenly distributed between commercial and residential property. 49% of the School District's valuation is comprised of residential property and 51% is comprised of commercial or public utility property.

In 1990, the City of Beachwood annexed the Chagrin Highlands, a 400 acre plot from a neighboring community (Warrenville Heights) in order to develop a proposed \$500 million, 633-acre corporate complex featuring office space, a retail mall and at least one hotel. The School District signed an agreement with the Warrenville Heights City School District to share in any future tax revenue.

Under the agreement, the School District will receive 30% of the tax revenue from all future development. Originally, Warrensville Heights School District was the sole beneficiary of school tax revenues. The School District considers the successful negotiation of tax-sharing a major accomplishment that will enhance school revenues in the future and is currently in litigation with Warrensville Heights City School District to compel payment of these revenues, which it has chosen not to do for several years.

The School District just received a decision from the Ohio Court of Appeals Eighth Appellate District upholding the School District's position that Warrensville Heights City Schools indeed entered into a contract with the Beachwood City School District. At this time, it is unknown how the case may progress from this point.

Prospects for the Future

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the School District's total operating millage is 85.2 mills, the operating effective millage levied and collected is 37.08 and 45.51 for residential and commercial property respectively.

The County which is responsible for conducting a full property appraisal every six years conducted their appraisal in calendar year 18 which impacted property values for tax purposes in collection year 2019.

The State's budget bill, House Bill 64, which passed in June 2017, contained significant funding decreases for public schools which collected tangible personal property taxes. The amount of funding loss for the School district is \$2.5 million dollars annually commencing fiscal year 2018. This funding loss forced the district to place a 5.9 mill operating levy on the ballot in November 2018 to offset this funding loss. In addition, increased funding to private and community schools were also part of the budget bill. Payment for the private and community schools comes directly from the local school district. The district passed its operating levy which began collecting in January 2019.

The State of Ohio in its pursuit of "choice" in education continues to erode tax dollars earmarked for public education. The State passed a bill with the "Jon Peterson Special Needs Scholarship" provision which allows private entities and private schools to become providers of special education services. The Jon Peterson Special Needs Scholarships are the most significant unfunded mandate. Depending on the nature of a student's disability these providers will take from \$7,598 to \$27,000 in funding from public schools for **each** identified student. The School District receives on average \$767 per student from the State of Ohio for educating all of its students irrespective of disabilities. The School District does not receive any additional revenue from the State of Ohio for students qualifying for the Jon Peterson Scholarship.

COVID 19 – As the Ohio economy shut down, there were many businesses that closed their doors permanently. The School District shut down for in school classes on March 13th anticipating a return before the end of the school year which did not happen. While the cost of utilities and other purchased services decreased due to the shutdown, the cost of salaries and benefits increased during FY 20 due to enrollment increases and the addition of two administrative staff members. The School District also had to provide chromebooks and laptops to each student and staff member with many spares at the central office due to breakage/repairs.

While the Ohio economy shutdown, the school district kept its entire staff in pay status not knowing when it would be safe to return to school. In FY 21, the School District began online, but commencing September 21st, held in person classes for students who elected to do so. The School District has purchased over \$250,000 in PPE as well as hired 4.5 additional staff members to comply with social distancing requirements.

Sub rates also increased to attract subs as per federal law, if staff members have any COVID related illness or child care issues related to COVID, the district must pay for the staff member during a specified quarantine period as well as pay for a staff member to remain at home if their child's educational facility remains unopened. The tracking is arduous.

The State of Ohio with its own budget woes cut the School District's foundation funds by 3.7% in late May causing the school district to repay the State \$95k in June 2020. The state also reduced funding for FY 21 at the same reduction rate.

The School District does not know the long-term impact on real estate tax revenues as the economy remains uncertain.

Other Information

Independent Audit

The Ohio Revised Code requires an annual audit of the School District's financial statements and its compliance with certain sections of the Ohio Revised Code. The James G. Zupka, CPA, Inc. conducted the School District's 2020 fiscal year audit. The Independent Auditor's Report appears at the beginning of the Financial Section of this report.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Beachwood City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. (This was the 32nd consecutive year that the School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments


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


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

Special recognition must be extended to the members of the Treasurer's Office: Kathleen Stroski, Assistant Treasurer; April Yuhas, Payroll Coordinator, Kelly Wright, Purchasing Agent; Rita Miklacic, EMIS coordinator and LaJour Sims, 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 School District has an active audit committee, comprised of 3 members of the community (two of whom are CPA's, and one a small business entrepreneur), one Board member (also a CPA) and the School District's Treasurer. The Superintendent also serves in the capacity of an ex-officio member of this committee. A special thank you to the audit committee members who provided counsel and assisted in improving internal controls, reviewing the audit and making appropriate recommendations to the Board of Education. Ms. Patty Rubin, Ms. Marla Petti and Mr. David Ostro along with Mrs. Maria Bennett (Board Member) are to be commended for their efforts.


Michele E. Mills, MBA
Treasurer/CFO


Dr. Robert Hardis
Superintendent of Schools

Elected Officials

Board of Education

Dr. Brian WeissPresident

Mrs. Maria Bennett Vice-President

Mr. Josh Mintz Member

Mrs. Jillian DeLongMember

Mrs. Megan Walsh Member

Administration

Dr. Robert Hardis.....Superintendent

Ms. Michele E. Mills, MBATreasurer/CFO

Dr. Ken Veon..... Assistant Superintendent

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

Mrs. Linda LoGalboDirector of Curriculum

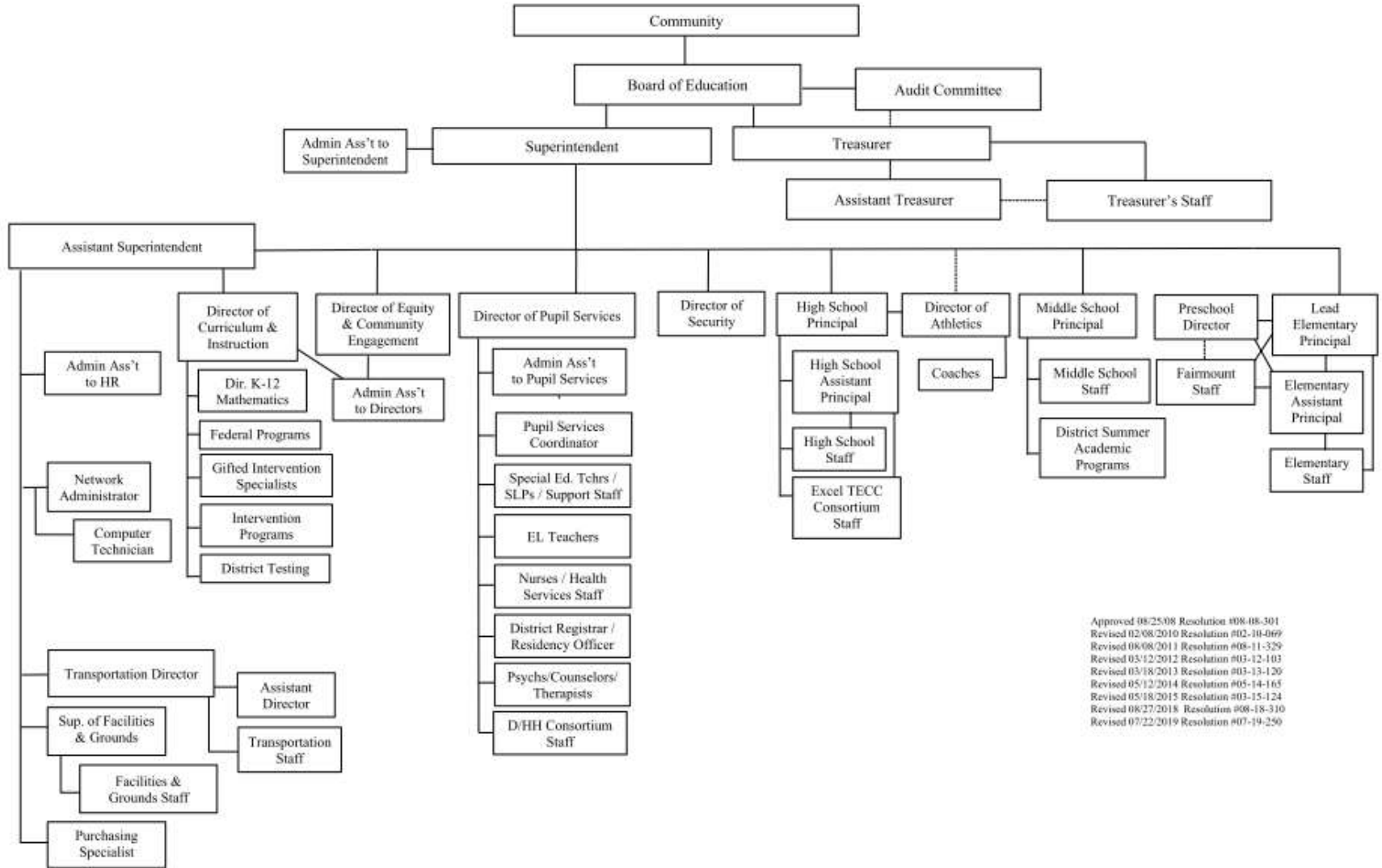
Mrs. Kathleen Stroski Assistant Treasurer

Mr. Kevin Houchins Director of Equity and Community Engagement

Mrs. Valerie Parker.....Pupil Services Coordinator

BEACHWOOD CITY SCHOOL DISTRICT

ORGANIZATION CHART



Approved 08/25/08 Resolution #08-08-301
 Revised 02/08/2010 Resolution #02-10-069
 Revised 08/08/2011 Resolution #08-11-329
 Revised 03/12/2012 Resolution #03-12-103
 Revised 03/18/2013 Resolution #03-13-120
 Revised 05/12/2014 Resolution #05-14-165
 Revised 05/18/2015 Resolution #05-15-124
 Revised 08/27/2018 Resolution #08-18-310
 Revised 07/22/2019 Resolution #07-19-250



Government Finance Officers Association

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Presented to

**Beachwood City School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL

SECTION

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JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Board of Education
Beachwood City School District
Beachwood, Ohio

The Honorable Keith Faber
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21 to the basic financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying

accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



James G. Zupka, CPA, Inc.
Certified Public Accountants

November 3, 2020

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- In total, Net Position increased by \$364,230. The increase in net position is primarily due to the increase in property tax collections as well as an increase in deferred inflows of resources related to property taxes.
- Total outstanding debt increased 2.1 million due to the issuance of \$5.6 million in Tax Anticipation Notes in the spring of 2020, which was offset by annual debt payments in the amount of \$3.5 million.
- The general fund had a slightly higher and healthy fund balance of \$30 million of which \$29 million is unassigned and available to fund future day to day operations of the School District.
- Total expenses increased \$7,231,693 in fiscal year 2020. The expenses include adjustments due to the recording of net pension liability, net OPEB liability and net OPEB asset. See page 26 for further analysis of expenses.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2020?" The Statement of Net Position and Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources, all liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of these major funds begins on page 27. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Bond Retirement and Permanent Improvement Funds.

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2020 compared to 2019:

Table 1 - Net Position

	Governmental Activities	
	2020	2019
ASSETS		
Current and Other Assets	\$ 80,365,130	\$ 67,735,103
Capital Assets, net	61,819,539	63,874,536
Net OPEB Asset	2,270,519	2,247,273
Total Assets	144,455,188	133,856,912
DEFERRED OUTFLOWS OF RESOURCES		
Pension	7,833,274	10,754,673
OPEB	867,556	657,487
Total Deferred Outflows of Resources	8,700,830	11,412,160
LIABILITIES		
Current and Other Liabilities	5,077,488	4,801,311
Long-term Liabilities:		
Due within one year	3,604,508	3,652,052
Due in more than one year:		
Net Pension Liability	40,769,673	41,622,213
Net OPEB Liability	4,469,734	5,309,556
Other Amounts	31,069,453	28,696,175
Total Liabilities	84,990,856	84,081,307
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	36,028,551	29,780,560
Pension	2,911,254	2,938,503
OPEB	4,327,166	3,934,741
Total Deferred Inflows of Resources	43,266,971	36,653,804
NET POSITION		
Net Investments in		
Capital Assets	36,051,022	34,625,038
Restricted	4,710,210	5,240,553
Unrestricted	(15,863,041)	(15,331,630)
Total Net Position	\$ 24,898,191	\$ 24,533,961

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2020, the net OPEB liability (NOL) and net OPEB asset are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. Also, the School District does not have any legal claim to the net OPEB Asset. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Total governmental assets and deferred outflows increased by \$7,886,946 and total governmental liabilities and deferred inflows of resources increased by \$7,522,716 resulting in an increase in net position of \$364,230. The increase in governmental assets is due primarily to an increase in cash and cash equivalents and property taxes receivable, which is offset by a decrease in capital assets, net. The increase in property taxes receivable is due to the increase in property tax accrual due to the passage of a 5.9 mill operating levy in November 2018, which began collecting in January 2019. The decrease in capital assets is due to depreciation exceeding capital outlay in fiscal year 2020. The changes in deferred outflows and inflows of resources, net OPEB asset, net pension liability and net OPEB liability is due primarily to the implementation of GASB 68 and 75 as previously discussed.

The recording of GASB Statement No. 68 and 75 requires the readers to perform additional calculations to determine the School District's total Net Position at June 30, 2020 without the recording of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (SERS & STRS) collect, hold, invest, and distribute pensions to our employee, not the School District. These calculations are as follows:

Total Net Position including GASB 68 and GASB 75	\$24,898,191
Add:	
Net Pension liability	40,769,673
Net OPEB Liability	4,469,734
Deferred Inflows - Pension	2,911,254
Deferred Inflows - OPEB	4,327,166
Less:	
Net OPEB Asset	(2,270,519)
Deferred Outflows - Pension	(7,833,274)
Deferred Outflows - OPEB	(867,556)
Total Net Position without GASB 68 and GASB 75	\$66,404,669

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Table 2 shows the changes in net position for fiscal year 2020 with revenue and expense comparisons to fiscal year 2019:

Table 2 - Change in Net Position

	Governmental Activities	
	2020	2019
REVENUES		
Program Revenues:		
Charges for Services	\$ 2,510,749	\$ 3,279,278
Operating Grants and Contributions	3,727,770	3,637,581
Total Program Revenues	6,238,519	6,916,859
General Revenues:		
Property Taxes	32,514,185	34,122,955
Grants and Entitlements	2,822,872	3,854,155
Investment Income	1,398,774	1,209,263
Gain on Sale of Capital Assets	7,647	16,240
All Other Revenues	2,554,656	448,228
Total General Revenues	39,298,134	39,650,841
Total Revenues	45,536,653	46,567,700
EXPENSES		
Program Expenses:		
Instruction		
Regular	14,735,744	12,093,709
Special	7,030,637	6,433,537
Vocational	1,345,359	1,152,951
Adult/Continuing	73,768	73,452
Other	270,473	213,074
Supporting Services:		
Pupil	3,121,558	2,303,142
Instructional Staff	2,493,129	1,751,926
Board of Education	367,111	488,359
Administration	2,837,019	2,031,944
Fiscal	971,992	1,101,920
Business	325,686	301,740
Operation and Maintenance of Plant	3,829,264	3,538,169
Pupil Transportation	2,332,945	1,582,876
Central	267,109	151,670
Operation of Non-Instructional Services	2,387,822	2,089,475
Extracurricular Activities	1,544,436	1,257,110
Interest and Fiscal Charges	1,238,371	1,375,676
Total Expenses	45,172,423	37,940,730
Change in Net Position	364,230	8,626,970
Net Position - Beginning of Year	24,533,961	15,906,991
Net Position - End of Year	\$ 24,898,191	\$ 24,533,961

Beachwood City School District
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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 0.5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 71.4 percent of revenues for governmental activities for the School District in fiscal year 2020. 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, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. Property tax revenues decreased by \$1,608,770 on an accrual basis of accounting due to the recording of advances as tax revenue as previously discussed above and the passage of a levy. The total amounts available for advance at fiscal year ends 2020, 2019 and 2018 were \$1,896,804, 4,645,805 and 2,565,536, respectively. On a cash basis, property tax collections had a significant increase with \$35,258,738 received in fiscal year 2020 and \$32,127,711 in fiscal year 2019. The cash collections increased due to the passage of a 5.9 mill operating levy in November 2018, which began collecting in January 2019. The District had a full collection year in 2020.

Charges for services decreased by \$768,529 due to a decrease in preschool tuition and consortium program tuition due to the closure of school due to COVID-19. Grants and entitlements decreased by \$1,031,283 due to the State of Ohio reducing the School District's funding by 500k and food service revenues decreased due to COVID closure. All other revenues increased by \$2,106,428 in fiscal year 2020 due to the School District receiving unbudgeted revenue in fiscal year 2020 in the amount of \$2.2 million dollars as a result of the settlement of litigation regarding the valuation of real property.

Instruction comprises 52 percent of governmental program expenses. Interest expense was 2.7 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

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Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Total expenses increased by \$7,231,693 mainly due to the recording of GASB 68 and 75. The effects of GASB 68 and 75 distort the comparative analysis of expenses due to the significant changes made by the pension systems in recording the aforementioned GASBs. As a result of the significant adjustments to program expenses for GASB 68 and GASB 75, the following adjustments are needed:

Total 2020 program expenses under GASB 68 and 75	\$ 45,172,423
NPL expense under GASB 68	(5,345,721)
2020 contractually required contribution - Pension	3,304,111
Negative OPEB expense under GASB 75	594,947
2020 contractually required contribution - OPEB	<u>85,765</u>
Adjusted 2020 program expenses	<u>43,811,525</u>
Total 2019 program expenses under GASB 68 and 75	\$ 37,940,730
NPL expense under GASB 68	(3,400,493)
2019 contractually required contribution - Pension	3,062,515
Negative OPEB expense under GASB 75	4,631,537
2019 contractually required contribution - OPEB	<u>132,331</u>
Adjusted 2019 program expenses	<u>42,366,620</u>
Increase in program expenses	<u>\$ 1,444,905</u>

See page 27 for analysis of the Districts fund financial statements that do not include the pension and OPEB expenses in relation to GASB Statement No. 68 and 75. See Notes 13 and 14 for more information regarding Net Pension and OPEB liability/asset and the related pension expense.

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 2019.

Table 3 - Governmental Activities

	Total Cost of Services 2020	Total Cost of Services 2019	Net Cost of Services 2020	Net Cost of Services 2019
Instruction	\$ 23,455,981	\$ 19,966,723	\$ 20,182,700	\$ 16,555,864
Supporting Services:				
Pupils and Instructional Staff	5,614,687	4,055,068	5,004,687	3,432,354
Board of Education, Administration, Fiscal Services, and Business	4,501,808	3,923,963	4,421,468	3,922,240
Operation and Maintenance of Plant	3,829,264	3,538,169	3,497,171	3,145,263
Pupil Transportation	2,332,945	1,582,876	2,255,478	1,263,785
Central	267,109	151,670	267,109	151,670
Operation of Non-Instructional Services	2,387,822	2,089,475	601,128	(29,908)
Extracurricular Activities	1,544,436	1,257,110	1,465,792	1,206,927
Interest and fiscal charges	<u>1,238,371</u>	<u>1,375,676</u>	<u>1,238,371</u>	<u>1,375,676</u>
Total cost of service	<u>\$ 45,172,423</u>	<u>\$ 37,940,730</u>	<u>\$ 38,933,904</u>	<u>\$ 31,023,871</u>

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

The dependence upon tax revenues for governmental activities is apparent. Over 82 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is over 86 percent. The community, as a whole, is by far the primary support for the School District's students. The large increase in Instruction is due to GASB 68 and 75 as previously discussed.

The School District's Funds

Information about the School District's major funds starts on page 33. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$51,542,864 and expenditures and other financing uses of \$45,739,968.

The net fund balance increased in the general fund by \$428,715. Revenues remained fairly flat, but expenditures increased in the area of all instruction areas increased mainly due to a retroactive pay increase for the Beachwood Federation of Teachers for the FY 19 school year.

The net fund balance decreased in the bond retirement fund by \$273,654 due to the decrease in property tax revenue on an accrual basis for the fluctuation of advances outstanding at year end as compared to prior year.

The net fund balance increased in the permanent improvement fund by \$5,920,699 due to the issuance of a tax anticipation note.

Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2020, the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the revenue final budget estimates were \$2,177,893 greater than the original budget estimates, and actual revenue was \$247,286 greater than the final budget estimates of \$38,449,653 due to last minute budget changes at the State level which was going to decrease the School District's funding by \$400k, but ended up decreasing the funding by \$99k. The School District's ending un-obligated cash balance was \$1,212,611 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction, operation and maintenance of plant and pupil transportation.

There were fifteen amendments to the original appropriations during fiscal year 2020. The budget increased predominantly due to amendments to the auxiliary services fund.

Capital Assets

At the end of fiscal 2020, the School District had \$61,819,539 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 10 to the basic financial statements for more detailed information on capital asset activity.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
Unaudited

Table 4 shows fiscal 2020 balances compared to 2019:

Table 4 - Capital Assets at June 30, (Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 978,708	\$ 978,708
Construction in progress	-	471,165
Land Improvements	1,613,760	1,719,645
Buildings and Building Improvements	57,366,582	58,900,949
Vehicles	763,717	792,130
Equipment	1,096,772	1,011,939
Total Net Capital Assets	\$ 61,819,539	\$ 63,874,536

The decrease in total net capital assets is mainly due to current year depreciation.

For fiscal year 2020, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2020, this amounted to \$268,708 for the set aside. For fiscal year 2020, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2020, the School District had \$31,362,057 in bonds and notes outstanding, \$3,327,000 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 16 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1%, respectively, of the total assessed value of real and personal property. At June 30, 2020, the School District's voted general obligation bonded debt of \$22,199,966 is below the legal limit of \$53,959,925 (voted). In addition, the School District had no un-voted debt at June 30, 2020. Moody's rating for the School District's bonds is Aaa, the highest rating Moody's assigns to debt issues. The School District's Certificates of Participation was rated Aa1 by Moody's. It is typical for CoPS issues to be rated one level lower than a public entity's bond rating due to the nature of CoPS which are lease purchase transactions subject to payment via the annual appropriation measure. The TAN's issue was not rated due to the short term payback of ten years. However, Moody's still confirmed the District's rating of Aaa in the summer of 2020.

Table 5 - Outstanding Debt at June 30,

	Governmental Activities	
	2020	2019
2010 Tax Anticipation Notes	\$ -	\$ 685,000
2016 Certificates of Participation	3,440,000	3,820,000
2016 COPs Premium	122,091	139,532
2020 Tax Anticipation Note	5,600,000	-
2010 Qualified School Construct Bonds	8,670,000	9,905,000
2013 Refunding	2,380,000	3,550,000
2014 Refunding Tax Exempt Bonds	11,149,966	11,149,966
Total Outstanding Debt	\$ 31,362,057	\$ 29,249,498

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Unaudited

The general obligation bonds were issued for the purpose of school improvements. They are to be repaid from the bond retirement fund. The tax anticipation notes and certificates of improvement are to be repaid from tax revenues from the permanent improvement fund.

For the Future

The School District closed out its fiscal year on June 30, 2020 on a very positive note. The School District passed a 5.9 mill operating levy in November 2018 which is expected to generate \$4.3 million in additional annual property tax revenues. The School District successfully concluded negotiations with its teachers by ratifying an agreement through August 31, 2022 which paid market salary rate increases and increases in health care copays, out of pocket costs and co-insurance. In addition, the School District successfully negotiated into the union contract, a salary schedule (effective September 1, 2019) that significantly reduces both the starting salaries for teachers and the speed at which teacher salaries grow. The School District also successfully concluded negotiations with its non-teaching union and has a contract through June 30, 2023. This contract also includes market rate increases along with increases in health care copays, out of pocket costs and co-insurance.

The School District's next major initiative to focus on site improvements at the High School.. Specifically the school district taking advantage of historically low interest rates borrowed \$5.6 million in tax anticipation notes (TAN's) to address the follow projects: HS natatorium, HS parking lot, HS retaining wall, construction of a softball stadium and a new maintenance building located at the HS.

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/commercial community and the residents of the City.

The School District is very cautious as it relates to future planning for staffing, PPE, etc. The COVID 19 virus has upended all of us. As we all struggle for a "new normal", it is unknown what the long term impact of the virus will have on schools and students and funding overall.

Contacting the School District's Financial Management

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

BASIC

FINANCIAL

STATEMENTS

Beachwood City School District
Statement of Net Position
June 30, 2020

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 41,749,301
Cash and Cash Equivalents:	
In Segregated Accounts	134,873
Property Taxes Receivable	38,018,834
Accrued Interest Receivable	85,841
Accounts Receivable	300,661
Intergovernmental Receivable	20,228
Materials and Supplies Inventory	55,392
Net OPEB Asset	2,270,519
Nondepreciable Capital Assets	978,708
Depreciable Capital Assets, Net	60,840,831
Total Assets	144,455,188
DEFERRED OUTFLOWS OF RESOURCES	
Pension	7,833,274
OPEB	867,556
Total Deferred Outflows of Resources	8,700,830
LIABILITIES	
Accounts Payable	98,534
Accrued Wages and Benefits	3,850,109
Intergovernmental Payable	553,457
Matured Bonds Payable	86,363
Accrued Interest Payable	89,962
Matured Compensated Absences Payable	41,163
Claims Payable	357,900
Long-term Liabilities:	
Due within one year	3,604,508
Due in more than one year:	
Net Pension Liability	40,769,673
Net OPEB Liability	4,469,734
Other amounts due in more than one year	31,069,453
Total Liabilities	84,990,856
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	36,028,551
Pension	2,911,254
OPEB	4,327,166
Total Deferred Inflows of Resources	43,266,971
NET POSITION	
Net Investment in Capital Assets	36,051,022
Restricted:	
Debt Service	3,603,633
Set-Asides	134,873
State Funded Programs	48,133
Federally Funded Programs	11,761
Student Activities	97,839
Preschool	743,413
Other Purposes	70,558
Unrestricted	(15,863,041)
Total Net Position	\$ 24,898,191

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 14,735,744	\$ 169,627	\$ 807,354	\$ (13,758,763)
Special	7,030,637	436,704	1,003,491	(5,590,442)
Vocational	1,345,359	329,259	484,492	(531,608)
Adult/Continuing Instruction	73,768	5,799	-	(67,969)
Other	270,473	36,555	-	(233,918)
Supporting Services:				
Pupils	3,121,558	280,323	277,148	(2,564,087)
Instructional Staff	2,493,129	373	52,156	(2,440,600)
Board of Education	367,111	-	-	(367,111)
Administration	2,837,019	-	80,089	(2,756,930)
Fiscal Services	971,992	-	-	(971,992)
Business	325,686	251	-	(325,435)
Operation and Maintenance of Plant	3,829,264	319,032	13,061	(3,497,171)
Pupil Transportation	2,332,945	286	77,181	(2,255,478)
Central	267,109	-	-	(267,109)
Operation of Non-Instructional Services:				
Food Service Operations	644,066	359,732	88,834	(195,500)
Community Services	1,743,756	528,048	810,080	(405,628)
Extracurricular Activities	1,544,436	44,760	33,884	(1,465,792)
Interest and Fiscal Charges	1,238,371	-	-	(1,238,371)
Total Governmental activities	\$ 45,172,423	\$ 2,510,749	\$ 3,727,770	(38,933,904)
General Revenues:				
Property Taxes levied for:				
General Purposes				28,497,199
Other Purposes				4,016,986
Grants & Entitlements not restricted to specific programs				2,822,872
Investment Income				1,398,774
Gain on Sale of Capital Assets				7,647
All Other Revenues				2,554,656
Total General Revenues				39,298,134
Change in Net Position				364,230
Net Position - Beginning of Year				24,533,961
Net Position - End of Year				\$ 24,898,191

See accompanying notes to the basic financial statements.

Beachwood City School District
Balance Sheet
Governmental Funds
June 30, 2020

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 26,257,247	\$ 3,268,184	\$ 6,404,075	\$ 3,547,808	\$ 39,477,314
Cash and Cash Equivalents:					
In Segregated Accounts	134,873	-	-	-	134,873
Materials and Supplies Inventory	51,171	-	-	4,221	55,392
Accrued Interest Receivable	85,841	-	-	-	85,841
Accounts Receivable	17,391	274,422	-	8,848	300,661
Due from Other Funds	3,215,000	-	-	-	3,215,000
Interfund Receivable	2,523,311	-	-	-	2,523,311
Intergovernmental Receivable	2,032	-	-	18,196	20,228
Property Taxes Receivable	33,364,651	3,969,073	685,110	-	38,018,834
Total Assets	\$ 65,651,517	\$ 7,511,679	\$ 7,089,185	\$ 3,579,073	\$ 83,831,454
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 42,119	\$ -	\$ 2,235	\$ 54,180	\$ 98,534
Accrued Wages and Benefits	3,591,081	-	-	259,028	3,850,109
Intergovernmental Payable	494,117	-	-	59,340	553,457
Matured Compensated Absences Payable	41,163	-	-	-	41,163
Interfund Payable	-	-	-	2,523,311	2,523,311
Due to Other Funds	-	-	3,215,000	-	3,215,000
Matured Bonds Payable	-	86,363	-	-	86,363
Total Liabilities	4,168,480	86,363	3,217,235	2,895,859	10,367,937
Deferred Inflows of Resources:					
Property Taxes	31,652,676	3,731,721	644,154	-	36,028,551
Unavailable Revenues - Delinquent Property Taxes	80,409	9,107	3,963	-	93,479
Unavailable Revenues - Grants	-	-	-	18,196	18,196
Unavailable Revenues - Other	2,032	-	-	2,384	4,416
Total Deferred Inflows of Resources	31,735,117	3,740,828	648,117	20,580	36,144,642
Fund Balances:					
Nonspendable	57,091	-	-	4,221	61,312
Restricted	134,873	3,684,488	3,223,833	1,012,044	8,055,238
Committed	211,808	-	-	-	211,808
Unassigned (Deficit)	29,344,148	-	-	(353,631)	28,990,517
Total Fund Balances (Deficit)	29,747,920	3,684,488	3,223,833	662,634	37,318,875
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 65,651,517	\$ 7,511,679	\$ 7,089,185	\$ 3,579,073	\$ 83,831,454

See accompanying notes to the basic financial statements.

Beachwood City School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2020

Total Governmental Fund Balances	\$	37,318,875
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		61,819,539
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:

Delinquent property taxes	\$	93,479	
Grants		18,196	
Other		4,416	
Total		116,091	116,091

The net pension liability and net OPEB liability are not due and payable in the current period, and the net OPEB asset is not available for spending in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:

Deferred Outflows - Pension		7,833,274	
Deferred Inflows - Pension		(2,911,254)	
Net Pension Liability		(40,769,673)	
Deferred Outflows - OPEB		867,556	
Deferred Inflows - OPEB		(4,327,166)	
Net OPEB Asset		2,270,519	
Net OPEB Liability		(4,469,734)	
Total			(41,506,478)

Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the School District's Internal Service funds are included in Governmental Activities in the Statement of Net Position.		1,914,087
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Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:

Long-Term Notes Payable		(9,162,091)	
General Obligation Bonds		(22,199,966)	
Accrued interest payable		(89,962)	
Compensated absences		(3,311,904)	
Total			(34,763,923)

Net Position of Governmental Activities	\$	24,898,191
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See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property and Other Local Taxes	\$ 28,493,365	\$ 3,464,676	\$ 551,696	\$ -	\$ 32,509,737
Intergovernmental	3,257,227	899,065	98,721	2,276,012	6,531,025
Interest	1,322,752	63,611	9,654	2,757	1,398,774
Tuition and Fees	441,361	-	-	1,281,150	1,722,511
Extracurricular Activities	-	-	-	58,421	58,421
Rentals	319,032	-	-	-	319,032
Customer Sales and Services	194,253	-	-	371,254	565,507
Contributions and Donations	400	-	-	15,599	15,999
All Other Revenues	2,483,279	-	4,748	15,531	2,503,558
Total Revenues	36,511,669	4,427,352	664,819	4,020,724	45,624,564
EXPENDITURES					
Current:					
Instruction:					
Regular	12,744,938	-	-	105,139	12,850,077
Special	6,117,698	-	-	541,839	6,659,537
Vocational	524,590	-	-	800,100	1,324,690
Adult/Continuing	-	-	-	71,604	71,604
Other	264,849	-	-	-	264,849
Supporting Services:					
Pupils	2,409,474	-	-	549,319	2,958,793
Instructional Staff	1,999,273	-	-	50,613	2,049,886
Board of Education	343,668	-	-	-	343,668
Administration	2,450,440	-	-	79,887	2,530,327
Fiscal Services	1,190,593	-	-	-	1,190,593
Business	312,953	-	-	-	312,953
Operation and Maintenance of Plant	3,567,468	-	38,670	11,310	3,617,448
Pupil Transportation	2,084,679	-	-	11,408	2,096,087
Central	213,505	-	-	-	213,505
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	561,045	561,045
Community Services	20,151	-	-	1,643,877	1,664,028
Extracurricular Activities	1,187,729	-	20,175	174,797	1,382,701
Capital Outlay	354,546	-	235,375	-	589,921
Debt Service:					
Principal Retirement	-	3,470,000	-	-	3,470,000
Interest and Fiscal Charges	-	1,231,006	-	-	1,231,006
Bond Issuance Costs	-	-	49,900	-	49,900
Total Expenditures	35,786,554	4,701,006	344,120	4,600,938	45,432,618
Excess of Revenues Over (Under) Expenditures	725,115	(273,654)	320,699	(580,214)	191,946
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	10,950	-	-	-	10,950
Note Issuance	-	-	5,600,000	-	5,600,000
Transfers In	-	-	-	307,350	307,350
Transfers Out	(307,350)	-	-	-	(307,350)
Total Other Financing Sources (Uses)	(296,400)	-	5,600,000	307,350	5,610,950
Net Change in Fund Balances	428,715	(273,654)	5,920,699	(272,864)	5,802,896
Fund Balances (Deficit) - Beginning of Year	29,319,205	3,958,142	(2,696,866)	935,498	31,515,979
Fund Balances (Deficit) - End of Year	\$ 29,747,920	\$ 3,684,488	\$ 3,223,833	\$ 662,634	\$ 37,318,875

See accompanying notes to the basic financial statements.

Beachwood City School District
**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Net Change in Fund Balances-Total Governmental Funds \$ 5,802,896

*Amounts reported for Governmental Activities in the Statement of Activities
are different because:*

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 589,921	
Depreciation	(2,641,615)	
Total		(2,051,694)

In the Statement of Activities, only the loss on the disposal of capital assets is
reported, whereas, in the Governmental Funds, the proceeds from the disposals
increase financial resources. Thus, the change in net position differs from the
change in fund balance by the net book value of the capital assets. (3,303)

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

Delinquent property taxes	4,448	
Grants	1,986	
Other	(1,433)	
Total		5,001

Repayment of notes and bond principals are expenditures in the
governmental funds, but the repayments reduce long-term liabilities
in the Statement of Net Position. 3,470,000

Note Proceeds that increases liabilities in the Statement of Net Position are
not reported in the governmental funds. (5,600,000)

Contractually required contributions are reported as expenditures in the
governmental funds; however, the Statement of Net Position reports
these amounts as deferred outflows.

Pension		3,304,111
OPEB		85,765

Except for amounts reported as deferred inflows/outflows, changes in the
net pension liability/asset are reported as pension expense in the Statement
of Activities.

Pension		(5,345,721)
OPEB		594,947

Some expenses 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.

Compensated absences	(213,175)	
Accrued interest	25,094	
Amortization of bond premiums	17,441	
Total		(170,640)

Internal Service funds are used by management to charge costs to certain
activities, such as insurance to individual funds. The net revenue (expense)
of the Internal Service fund are reported in the Governmental Activities. 272,868

Change in Net Position of Governmental Activities \$ 364,230

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 30,135,123	\$ 30,857,963	\$ 30,857,963	\$ -
Intergovernmental	3,736,068	3,021,064	3,261,142	240,078
Interest	650,000	700,000	727,294	27,294
Tuition and Fees	267,663	266,163	333,230	67,067
Rent	362,000	382,453	319,032	(63,421)
Gifts and Donations	8,500	7,500	400	(7,100)
Customer Sales and Services	159,600	194,300	189,342	(4,958)
Miscellaneous	410,306	2,479,099	2,478,599	(500)
Total Revenues	<u>35,729,260</u>	<u>37,908,542</u>	<u>38,167,002</u>	<u>258,460</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	13,004,027	12,891,154	12,745,284	145,870
Special	6,695,370	6,204,447	6,102,310	102,137
Vocational	426,400	744,400	604,590	139,810
Other	271,672	300,672	266,856	33,816
Support Services:				
Pupils	2,407,221	2,450,244	2,387,674	62,570
Instructional Staff	2,116,513	2,168,319	2,103,555	64,764
Board of Education	522,128	393,862	381,791	12,071
Administration	2,452,328	2,405,588	2,368,630	36,958
Fiscal	1,199,333	1,221,095	1,174,634	46,461
Business	347,492	348,492	307,170	41,322
Operation and Maintenance of Plant	3,960,217	3,783,098	3,629,526	153,572
Pupil Transportation	1,796,403	2,190,653	2,167,520	23,133
Central	214,499	231,224	209,808	21,416
Operation of Non-Instructional/Shared Services:				
Community Services	36,942	36,942	19,341	17,601
Extracurricular Activities:				
Academic Oriented Activities	199,571	202,071	201,192	879
Sport Oriented Activities	898,828	921,433	869,737	51,696
School and Public Service Co-Curricular Activities	47,590	67,840	67,774	66
Total Expenditures	<u>36,596,534</u>	<u>36,561,534</u>	<u>35,607,392</u>	<u>954,142</u>
Excess of Revenues Over (Under) Expenditures	<u>(867,274)</u>	<u>1,347,008</u>	<u>2,559,610</u>	<u>1,212,602</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	530,000	521,300	510,126	(11,174)
Proceeds from Sale of Capital Assets	10,000	19,811	19,811	-
Refund of Prior Year Expenditures	2,500	-	-	-
Transfers Out	(1,098,275)	(1,144,575)	(1,133,392)	11,183
Other Financing Uses	(20,000)	-	-	-
Total Other Financing Sources and Uses	<u>(575,775)</u>	<u>(603,464)</u>	<u>(603,455)</u>	<u>9</u>
Net Change in Fund Balances	(1,443,049)	743,544	1,956,155	1,212,611
Fund Balance at Beginning of Year	21,236,418	21,236,418	21,236,418	-
Prior Year Encumbrances Appropriated	344,672	344,672	344,672	-
Fund Balance at End of Year	<u>\$ 20,138,041</u>	<u>\$ 22,324,634</u>	<u>\$ 23,537,245</u>	<u>\$ 1,212,611</u>

See accompanying notes to the basic financial statement

Beachwood City School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2020

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,271,987
Total Assets	<u>2,271,987</u>
LIABILITIES	
Current Liabilities:	
Claims Payable	357,900
Total Liabilities	<u>357,900</u>
NET POSITION	
Unrestricted	1,914,087
Total Net Position	<u>\$ 1,914,087</u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 4,024,365
Miscellaneous	418,740
Total Operating Revenues	<u>4,443,105</u>
OPERATING EXPENSES	
Claims	3,970,605
Other	199,632
Total Operating Expenses	<u>4,170,237</u>
Change in Net Position	272,868
Net Position - Beginning of Year	<u>1,641,219</u>
Net Position - End of Year	<u><u>\$ 1,914,087</u></u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Self Insurance Premiums	\$ 4,443,105
Cash Payments for Claims	(4,125,937)
Net Cash Provided by Operating Activities	<u>317,168</u>
 Net Increase in Cash and Cash Equivalents	 317,168
 Cash and Cash Equivalents - Beginning of Year	 <u>1,954,819</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,271,987</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 272,868
 Adjustments:	
Increase in Liabilities:	
Claims Payable	44,300
Net Cash Provided by Operating Activities	<u>\$ 317,168</u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2020

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,726,764
Total Assets	<u>\$ 1,726,764</u>
Liabilities	
Undistributed Monies	\$ 1,553,923
Due to Students	172,841
Total Liabilities	<u>\$ 1,726,764</u>

See accompanying notes to the basic financial statements.

NOTES

TO

BASIC

FINANCIAL

STATEMENTS

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 1 - Description of the School District and Reporting Entity

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

The Board controls the School District’s five instructional facilities and one support facility staffed by 162 certificated teaching personnel, 128 non-certificated support personnel and 14 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 2020 fiscal year was 1,619. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

Reporting Entity

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

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

The School District participates in two jointly governed organizations and one public entity risk pool. These organizations are presented respectively in Note 18 and Note 12B to the basic financial statements. These organizations are:

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

Public Entity Risk Pool:
Workers’ Compensation Group Retro Program

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

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

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

B. Fund Accounting

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

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

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

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

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

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

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

C. Measurement Focus

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

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

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

Beachwood City School District
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Governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. See Note 8. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

Beachwood City School District
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In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, intergovernmental grants and other revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

E. Budgetary Data

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Lapsing of Appropriations

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

F. Cash and Investments

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

During fiscal year 2020, investments were limited to FNMA, Federal Farm Credit, FHLB, FHLMC, commercial paper, negotiable certificates of deposits, U.S. Treasury Notes and STAR Ohio.

During fiscal year 2020, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants". The School District measures their investments in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund from other funds during fiscal year 2020 amounted to \$1,322,752.

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, 2020, 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

H. Materials and Supplies Inventory

On fund financial statements, inventories of governmental funds are stated at cost while inventories held for resale are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and is determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (consumption method). Inventories in the General Fund and other nonmajor 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 17 for additional information regarding set-asides.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. 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/Building Improvements	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, 2020

K. Inter-fund Balances

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

L. Compensated Absences

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

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

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

M. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

N. Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for non-public schools and community involvement. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

O. Fund Balance

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

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

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

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

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

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

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

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.

Beachwood City School District
Notes to the Basic Financial Statements
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Q. Inter-fund Transactions

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the School District and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2020.

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.

T. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Note 3 – Change in Accounting Principles

During the fiscal year, the School District implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*). The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements information for certain component units. The implementation of this Statement did not have an effect on the financial statements of the School.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The School District has postponed the implementation of GASB Statement No. 84.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 4 - Accountability

Fund balances at June 30, 2020, included the following fund deficit balances

<u>Nonmajor Funds</u>	<u>Fund Balance Deficits</u>
Food Service	\$ 1,749
Recreation	4,041
Consortium	328,621
IDEA B	14,999

The fund deficits in the funds resulted from accrued liabilities. The general fund is liable for the deficits in these funds and will provide transfers when cash is required, not when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and fund financial statements are the following:

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 restricted, committed or assigned fund balance (GAAP basis).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

Beachwood City School District
Notes to the Basic Financial Statements
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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$ 428,715
Net Adjustment for Revenue Accruals	2,474,320
Net Adjustments for Expenditure Accruals	(456,663)
Funds with Separate Legally Adopted Budgets	(219,380)
Adjustment for Encumbrances	(270,837)
Budget Basis	\$ 1,956,155

Note 6 – Fund Balances

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Inventories	\$ 51,171	\$ -	\$ -	\$ 4,221	\$ 55,392
Unclaimed Funds	5,920	-	-	-	5,920
<i>Total Nonspendable</i>	57,091	-	-	4,221	61,312
<i>Restricted for</i>					
Budget Stabilization	134,873	-	-	-	134,873
Expandable Trust Funds	-	-	-	19,035	19,035
Marketing School Store	-	-	-	6,438	6,438
Pupil Support	-	-	-	38,982	38,982
Local Grants	-	-	-	6,103	6,103
Preschool	-	-	-	787,973	787,973
District Managed Student Activities	-	-	-	97,839	97,839
State Grants	-	-	-	54,887	54,887
Federal Grants	-	-	-	787	787
Bond Retirement	-	3,684,488	-	-	3,684,488
Permanent Improvements	-	-	3,223,833	-	3,223,833
<i>Total Restricted</i>	134,873	3,684,488	3,223,833	1,012,044	8,055,238
<i>Committed to</i>					
Instruction	86,752	-	-	-	86,752
Support Services	125,056	-	-	-	125,056
<i>Total Committed</i>	211,808	-	-	-	211,808
<i>Unassigned (Deficit)</i>					
	29,344,148	-	-	(353,631)	28,990,517
Total Fund Balances	\$ 29,747,920	\$ 3,684,488	\$ 3,223,833	\$ 662,634	\$ 37,318,875

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 7 - 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;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

7. Certain Banker's acceptances and commercial paper notes for the period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 \$6,200 un-deposited cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$1,636,277. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2020, \$782,919 of the School District's bank balance of \$1,808,748 was covered by Federal Depository Insurance and \$593,769 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name, and \$432,060 was uninsured and uncollateralized. The School District's financial institutions were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of the School District's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The School District's financial institutions had enrolled in OPCS as of June 30, 2020.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Investments

All investments are in an internal investment pool. STAR Ohio is measured at net asset value (NAV) per share while all other investments are measured at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs). The below tables identify the School District's recurring fair value measurement as of June 30, 2020. As previously discussed, Star Ohio is reported at its net asset value.

As of June 30, 2020, the School District had the following investments and maturities:

	<u>Fair Value/NAV</u>	<u>Maturity</u>	<u>Level Input</u>
Certificate of Deposit Capital One	247,879	8/26/2020	2
Certificate of Deposit Comenity Capital Bank	248,950	9/15/2020	2
Certificate of Deposit BMW NA	248,279	10/13/2020	2
Certificate of Deposit Merrick Bank	250,352	10/20/2020	2
Certificate of Deposit BMO Harris Bank	246,588	11/30/2020	2
Certificate of Deposit City National	247,477	2/25/2021	2
Certificate of Deposit Bank of Baroda	250,908	4/19/2021	2
Certificate of Deposit Cathay Bank	246,355	4/30/2021	2
Certificate of Deposit Zions Bancorp	250,769	6/24/2021	2
Certificate of Deposit Wells Fargo	254,640	9/27/2020	2
Certificate of Deposit Northern Bank & Trust	251,288	10/15/2021	2
Certificate of Deposit Discover	253,558	11/30/2021	2
Certificate of Deposit Berkshire Bank/Pittsfield	251,465	12/9/2021	2
Certificate of Deposit Wells Fargo	254,827	12/30/2021	2
Certificate of Deposit Preferred Bank	254,650	12/31/2021	2
Certificate of Deposit Bank OZK	250,362	1/6/2022	2
Certificate of Deposit UBS Bank	252,384	3/11/2022	2
Certificate of Deposit Enerbank USA	252,187	03/14/22	2
Certificate of Deposit Centerstate Bank	251,435	03/21/22	2
Certificate of Deposit CITI Bank	251,680	03/28/22	2
Certificate of Deposit Tristate	245,000	04/24/20	2
Certificate of Deposit Encore Bank	251,938	04/29/22	2
Certificate of Deposit Medallion Bank	249,667	05/19/22	2
Certificate of Deposit Pioneer Bank	249,670	05/19/22	2
Certificate of Deposit American National Bank	249,901	05/20/22	2

Continued

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

	<u>Fair Value/NAV</u>	<u>Maturity</u>	<u>Level Input</u>
Certificate of Deposit Grasshopper Bank	249,670	05/20/22	2
Certificate of Deposit First National Bank Moose	131,227	05/23/22	2
Certificate of Deposit Luana Savings Bank	249,670	05/23/22	2
Certificate of Deposit Mizrahi Tefahot Bank	250,429	06/30/22	2
Certificate of Deposit Ally Bank	255,870	08/01/22	2
Certificate of Deposit Alma Bank	256,480	08/12/22	2
Certificate of Deposit Capital One	258,930	10/18/22	2
Certificate of Deposit Morgan Stanley	255,550	12/12/22	2
Certificate of Deposit Morgan Stanley	255,550	12/12/22	2
Certificate of Deposit Sallie Mae Bank	255,550	12/12/22	2
Certificate of Deposit Bank Forward	257,476	12/19/22	2
Certificate of Deposit Marlin Business Bank	257,685	01/17/23	2
Certificate of Deposit Synchrony Bank	252,206	04/24/23	2
Certificate of Deposit Texas Exchange Bank	101,106	06/02/23	2
Certificate of Deposit Live Oak Bank	259,458	06/13/23	2
Certificate of Deposit Maple Bank	258,766	06/19/23	2
Certificate of Deposit First Keystone	249,212	06/30/23	2
Certificate of Deposit Goldman Sachs	267,865	04/10/24	2
Commercial Paper Exxon Mobil	879,982	07/06/20	2
Commercial Paper Credit Agricole CIB NY	999,950	07/17/20	2
Commercial Paper BNP Paribas	1,239,752	08/21/20	2
Commercial Paper NATIXIS	119,974	08/31/20	2
Commercial Paper MUFG Bank	129,942	09/04/20	2
Commercial Paper ING Funding	999,720	91/14/202	2
U.S. Treasury Note	1,002,470	09/15/20	2
U.S. Treasury Note	879,945	02/28/23	2
U.S. Treasury Note	880,413	6/13/2023	2
Federal Farm Credit	668,585	12/02/21	2
Federal Farm Credit	551,045	04/08/22	2
Federal Farm Credit	515,765	06/14/22	2
Federal Farm Credit	920,687	01/23/23	2
Federal Farm Credit	186,071	02/10/23	2
Federal Farm Credit	404,408	04/05/24	2
Federal Home Loan Bank	455,924	08/19/20	2
Federal Home Loan Mortgage	500,130	05/19/23	2
Federal Home Loan Mortgage	480,010	06/30/23	2
Federal National Mortgage	680,673	04/20/23	2
Star Ohio	18,888,106		
	<u>\$ 41,968,461</u>		

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Interest Rate Risk

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

Credit Risk

The Federal Home Loan Mortgage, Federal Home Loan Bank, Federal National Mortgage Assoc., and U.S. Treasury Note carry a rating of AA+ by Standard & Poor's, Federal Farm Credit carry a rating of AA+ by Standard & Poor's and STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Commercial Paper must be rated Aaa by Moody's and AAAM by Standard & Poor's. The negotiable certificates of deposit were not rated. 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 Commercial Paper, Federal Home Loan Mortgage, Federal Home Loan Bank, Federal National Mortgage Assoc. and Federal Farm Credits are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer of qualified trustee. At fiscal year end, the School District's investment in negotiable certificates of deposit of \$10,584,909 was fully covered by the FDIC.

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 represents 2.3%, Federal Home Loan Bank represents 1.1%, Federal National Mortgage 1.6%, Federal Farm Credits 7.8%, Commercial Paper 10.4%, negotiable certificates of deposit represent 25.2%, U.S. Treasury Notes 6.6% and STAR Ohio representing 45.0% of the School District's total investments.

Note 8 - 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 2020 represents collections of calendar year 2019 taxes.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Real property taxes received in calendar year 2019 were levied after April 1, 2019, on the assessed value listed as of January 1, 2020, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar 2019 represents collections of calendar year 2019 taxes. Public utility real and tangible personal property taxes received in calendar year 2019 become a lien December 31, 2018, were levied after April 1, 2019 and are collected in 2020 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Cuyahoga County Fiscal Officer collects property taxes on behalf of the School District. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. These tax “advances” are based on three-year historical cash flow collection rates and occur eight times annually. Second-half real property tax payments collected by the County by June 30, 2020, are available to finance fiscal year 2020 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, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. The amount available as an advance at June 30, 2020 was \$1,631,566 for the General Fund, \$228,245 in the Bond Retirement Fund, and \$36,993 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2019 was \$3,996,164 for the General Fund, \$551,157 in the Bond Retirement Fund, and \$98,484 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second- Half Collections		2020 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 390,244,410	49.95%	\$ 392,806,060	48.78%
Industrial/Commercial	379,119,340	48.52%	399,483,870	49.61%
Public Utility	11,956,730	1.53%	12,992,330	1.61%
Total Assessed Value	<u>\$ 781,320,480</u>	<u>100.00%</u>	<u>\$ 805,282,260</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$ 92.10		\$ 92.10	

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 9 - Receivables

Receivables at June 30, 2020, consisted of taxes, accounts (rent and student fees), intergovernmental, and accrued interest. All receivables are considered collectible in full because of the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 978,708	\$ -	\$ -	\$ 978,708
Construction in Progress	471,165	-	(471,165)	-
Total Capital Assets, not being depreciated	<u>1,449,873</u>	<u>-</u>	<u>(471,165)</u>	<u>978,708</u>
Capital Assets, being depreciated:				
Land Improvements	4,048,940	26,800	-	4,075,740
Buildings and Buildings Improvements	88,687,802	349,985	-	89,037,787
Vehicles	2,249,180	112,781	(3,858)	2,358,103
Equipment	8,745,300	571,520	(93,541)	9,223,279
Total Capital Assets, being depreciated	<u>103,731,222</u>	<u>1,061,086</u>	<u>(97,399)</u>	<u>104,694,909</u>
Less Accumulated Depreciation:				
Land Improvements	(2,329,295)	(132,685)	-	(2,461,980)
Buildings and Buildings Improvements	(29,786,853)	(1,884,352)	-	(31,671,205)
Vehicles	(1,457,050)	(137,891)	555	(1,594,386)
Equipment	(7,733,361)	(486,687)	93,541	(8,126,507)
Total Accumulated Depreciation	<u>(41,306,559)</u>	<u>(2,641,615)</u>	<u>94,096</u>	<u>(43,854,078)</u>
Total Capital Assets being depreciated, Net	<u>62,424,663</u>	<u>(1,580,529)</u>	<u>(3,303)</u>	<u>60,840,831</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,874,536</u>	<u>\$ (1,580,529)</u>	<u>\$ (474,468)</u>	<u>\$ 61,819,539</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$ 1,416,030
Special		61,945
Vocational		35,001
Recreation		1,345
Support Services:		
Pupil		189,896
Instructional Staff		300,154
Board of Education		22,116
Administration		38,734
Fiscal		4,648
Business		11,240
Operation and Maintenance of Plant		136,604
Pupil Transportation		168,147
Central		8,448
Operation of Non-Instructional Services:		
Food Services		77,400
Community Services		65,034
Extracurricular Activities		104,873
Total Depreciation Expense		<u>\$ 2,641,615</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 11 – Inter-fund Transactions

As of June 30, 2020, on the fund financial statements, the Consortium fund, which is a Nonmajor governmental fund, owed the General Fund \$2,523,311. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

In the prior fiscal year, the General fund advanced \$3,215,000 to the Permanent Improvement fund to cover project expenditures.

During the year ended June 30, 2020 the General Fund transferred \$307,350 to Other Nonmajor Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 12 - 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 2020, the School District contracted with The Netherlands Insurance Co. for property, general liability insurance and boiler and machinery coverage in the amounts of \$100,422,372, \$2,000,000, and \$100,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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

The School District contracted with Liberty Mutual for public employee dishonesty coverage, with a \$1,000,000 limit and a \$1,000 deductible.

B. Workers' Compensation

Group Retro is an insurance purchasing pool. Each year, the participating school districts pay the enrollment fee of the Group Retro to cover the costs of administering the program.

The intent of the Group retro program is to achieve refunds which are calculated every 12, 24 and 36 months after the rate year ends. Employers pay their full Worker's Compensation premium up front.

The final refund is based on the group's performance, and an assessment is possible of the claims costs are significantly higher than expected. However, the School District has received refunds four years in a row.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

C. Self-Insurance Program

The self-insurance program for dental of the School District employees and their covered dependents has been administered by Medical Mutual since September 1, 2006. Self-insured medical, prescription drug and dental claims are administered by Medical Mutual. Self-insured vision claims are administered by Vision Service Plan (VSP). The district only began to self-insure medical claims commencing January 1, 2015. Under the program, the School District is obligated for claim payments. During fiscal year 2020, total claims expense of \$3,970,605 was recognized, which represents actual claims processed and paid as of June 30, 2020. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims paid</u>	<u>Ending Balance</u>
2019	\$ 276,700	\$ 4,002,486	\$ 4,279,186	\$ 313,600
2020	\$ 313,600	\$ 3,657,005	\$ 3,970,605	\$ 357,900

Note 13 - Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

District non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit Age 65 with 5 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

The cost-of-living adjustment (COLA) is based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent

The School District’s contractually required contribution to SERS was \$903,378 for fiscal year 2020.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The School District’s licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 13.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to the DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member’s defined contribution account or the defined contribution portion of a member’s Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options in the GASB 68 schedules of employer allocation and pension amounts by employer.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2020, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

The School District’s contractually required contribution to STRS was \$2,400,733 for fiscal year 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.1898316%	0.1398515%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.1747117%</u>	<u>0.1370888%</u>	
Change in Proportionate Share	<u>-0.0151199%</u>	<u>-0.0027627%</u>	
Proportionate Share of the Net Pension Liability	\$ 10,453,308	\$ 30,316,365	\$ 40,769,673
Pension Expense	\$ 1,295,653	\$ 4,050,068	\$ 5,345,721

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 265,071	\$ 246,827	\$ 511,898
Changes of assumptions	-	3,561,243	3,561,243
Changes in proportion and differences between School District contributions and proportionate share of contributions	53,604	402,418	456,022
School District contributions subsequent to the measurement date	<u>903,378</u>	<u>2,400,733</u>	<u>3,304,111</u>
Total Deferred Outflows of Resources	<u>\$ 1,222,053</u>	<u>\$ 6,611,221</u>	<u>\$ 7,833,274</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 131,233	\$ 131,233
Net difference between projected and actual earnings on pension plan investments	134,183	1,481,700	1,615,883
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>493,972</u>	<u>670,166</u>	<u>1,164,138</u>
Total Deferred Inflows of Resources	<u>\$ 628,155</u>	<u>\$ 2,283,099</u>	<u>\$ 2,911,254</u>

\$3,304,111 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2021	\$17,305	\$1,650,417	\$1,667,722
2022	(393,953)	387,634	(6,319)
2023	(8,928)	(185,037)	(193,965)
2024	<u>76,096</u>	<u>74,375</u>	<u>150,471</u>
Total	<u>(\$309,480)</u>	<u>\$1,927,389</u>	<u>\$1,617,909</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67 as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

The mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates is used to evaluate allowances to be paid. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
International Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$14,648,821	\$10,453,308	\$6,934,844

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation is presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent

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Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation *	Long-Term Expected Real Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

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	1% Decrease <u>(6.45%)</u>	Current Discount Rate <u>(7.45%)</u>	1% Increase <u>(8.45%)</u>
School District's proportionate share of the net pension liability	\$44,303,989	\$30,316,365	\$18,475,123

Note 14 – Defined Benefit OPEB Plans

Net OPEB Liability/Asset

The net OPEB liability and net OPEB asset reported on the statement of net position represents a liability or asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability and net OPEB asset represent the School District’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability and net OPEB asset calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which OPEB are financed; however, the School District does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability and net OPEB asset. Resulting adjustments to the net OPEB liability and net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan.

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SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2020, there was no contribution made to health care. A health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The surcharge is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$85,765 for fiscal year 2020 and the full amount is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan.

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Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and net OPEB asset were measured as of June 30, 2019, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability and net OPEB asset were based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.1913857%	0.1398515%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	<u>0.1777379%</u>	<u>0.1370888%</u>	
Change in Proportionate Share	<u>-0.0136478%</u>	<u>-0.0027627%</u>	
Proportionate Share of the Net			
OPEB Liability/(Asset)	\$4,469,734	(\$2,270,519)	\$2,199,215
OPEB Expense	\$85,821	(\$680,768)	(\$594,947)

At June 30, 2020, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 65,612	\$ 205,840	\$ 271,452
Changes of assumptions	326,463	47,726	374,189
Net difference between projected and actual earnings on pension plan investments	10,729	-	10,729
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	26,481	98,940	125,421
School District contributions subsequent to the measurement date	<u>85,765</u>	<u>-</u>	<u>85,765</u>
Total Deferred Outflows of Resources	<u>\$ 515,050</u>	<u>\$ 352,506</u>	<u>\$ 867,556</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 981,970	\$ 115,516	\$ 1,097,486
Changes of assumptions	250,471	2,489,362	2,739,833
Net difference between projected and actual earnings on OPEB plan investments	-	142,603	142,603
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>331,329</u>	<u>15,915</u>	<u>347,244</u>
Total Deferred Inflows of Resources	<u>\$1,563,770</u>	<u>\$ 2,763,396</u>	<u>\$ 4,327,166</u>

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\$85,765 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	(\$293,625)	(\$527,618)	(\$821,243)
2022	(191,628)	(527,618)	(719,246)
2023	(188,476)	(470,462)	(658,938)
2024	(278,477)	(450,418)	(728,895)
2025	(124,862)	(438,655)	(563,517)
Thereafter	(57,417)	3,881	(53,536)
Total	(\$1,134,485)	(\$2,410,890)	(\$3,545,375)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.13 percent
Prior Measurement Date	3.62 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.22 percent
Prior Measurement Date	3.70 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe.

The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized on the following page:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22 percent. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13 percent, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
School District's proportionate share of the net OPEB liability	\$3,581,163	\$4,469,734	\$5,648,654
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$5,425,410	\$4,469,734	\$3,709,861

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Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2019, actuarial valuation is presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Discount Rate of Return	7.45 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	5.87 percent	4.00 percent
Medicare	4.93 percent	4.00 percent
Prescription Drug		
Pre-Medicare	7.73 percent	
Medicare	9.62 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Benefit Term Changes Since the Prior Measurement Date Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984 per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized on the following page:

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Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	\$1,888,072	\$2,270,519	\$2,467,456

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$2,452,520	\$2,270,519	\$1,949,345

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Note 16 – Long-Term Obligations

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

	Principal Outstanding 6/30/2019	Additions	Reduction	Principal Outstanding 6/30/2020	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$ 685,000	\$ -	\$ 685,000	\$ -	\$ -
2016 COPS 2.47% - Direct Borrowings	3,820,000	-	380,000	3,440,000	390,000
2016 COPS Premium-	139,532	-	17,441	122,091	-
2020 Tax Anticipation Note 1.17%	-	5,600,000	-	5,600,000	527,000
Total Long-Term Notes Payable	<u>4,644,532</u>	<u>5,600,000</u>	<u>1,082,441</u>	<u>9,162,091</u>	<u>917,000</u>
General Obligation Bonds					
2010 QSCB Bonds 5.125%	9,905,000	-	1,235,000	8,670,000	1,235,000
2013 Refunding .45-3.05%	3,550,000	-	1,170,000	2,380,000	1,175,000
2014 Refunding Tax Exempt 3-3.25%	11,149,966	-	-	11,149,966	-
Total General Obligation Bonds	<u>24,604,966</u>	<u>-</u>	<u>2,405,000</u>	<u>22,199,966</u>	<u>2,410,000</u>
Net Pension Liability:					
STRS	30,750,205	-	433,840	30,316,365	-
SERS	10,872,008	-	418,700	10,453,308	-
Total Net Pension Liability	<u>41,622,213</u>	<u>-</u>	<u>852,540</u>	<u>40,769,673</u>	<u>-</u>
Net OPEB Liability:					
SERS	5,309,556	-	839,822	4,469,734	-
Total Net OPEB Liability	<u>5,309,556</u>	<u>-</u>	<u>839,822</u>	<u>4,469,734</u>	<u>-</u>
Compensated Absences Payable	3,098,729	395,227	182,052	3,311,904	277,508
Long-Term Liabilities	<u>3,098,729</u>	<u>395,227</u>	<u>182,052</u>	<u>3,311,904</u>	<u>277,508</u>
Total Long-Term Liabilities	<u>\$ 79,279,996</u>	<u>\$ 5,995,227</u>	<u>\$ 5,361,855</u>	<u>\$ 79,913,368</u>	<u>\$ 3,604,508</u>

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Qualified School Construction Bonds (QSCB's) On May 13, 2010, the School District issued \$5,650,000 in tax anticipation notes in the form of federally taxable direct payment qualified school construction bonds at an interest rate of 4.75%. These tax anticipation notes were issued to fund energy conservation related projects at the School District's High School. The Permanent Improvement Fund property taxes will pay for the bonds. The interest paid on the bonds had been 100% subsidized by the federal government through federal stimulus funds. However, due to sequestration, the remittance to the District decreased 6.6%. The federal government remits the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

Certificates of Participation (CoPS) On March 16, 2016 the School District issued \$4,800,000 certificates of participation in the form of bank qualified tax exempt debt with an average interest rate of 2.47% for a period of 12 years. The School District issued CoPS to finance the main stadium project opened in the Fall of 2017. In the event the Lease is terminated because the School District does not appropriate sufficient money to pay Lease Payments with respect to the Leased Property for any immediately succeeding Renewal Term, or the School District defaults under the Lease, all of the Outstanding Certificates are subject to special redemption by the Trustee in whole at any time for which the required notice may be given at a price equal to 100% of the principal amount redeemed, plus interest accrued to the redemption date, from any available funds.

In May 2010, the community overwhelming passed a \$30 million 2.5 mill bond issue payable over 24 years. One portion of the financing was an issuance of \$11,260,000 in Qualified School Construction Bonds at an interest rate of 5.125%. The bonds were issued to renovate the High School. The interest paid on the bonds had been 100% subsidized by the federal government through federal stimulus funds. Again, due to sequestration, the interest remitted to the District decreased by 6.6%. The federal government remits the interest paid by the schools through a direct pay reimbursement. The debt rating assigned by Moody's is Aaa.

Tax Anticipation Note On May 5, 2020 the School District issued \$5,600,000 in tax anticipation notes at an interest rate of 1.170% and has a maturity date of December 1, 2029. These tax anticipation notes were issued to fund the renovation of the Natatorium and make certain improvements to the High School and football field. The Permanent Improvement Fund property taxes will pay for the bonds.

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

All bonds outstanding are general obligation of the School District for which the full faith and credit of the School District are pledged for repayment. General obligation bonds are to be repaid from a current 4.2 mill bonded-debt tax levy. Tax monies will be received in and the debt will be repaid from the Bond Retirement Fund.

Compensated absences will be paid from the funds from which the employee's salaries are paid. Compensated absences are generally liquidated by the general fund. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the general fund and consortium fund. See Notes 13 and 14 to the Basic Financial Statements for more detailed information on net pension liability and net OPEB liability.

The School District's overall voted debt margin was \$53,959,925 with an un-voted debt margin of \$805,282 at June 30, 2020.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2020 were as follows:

Fiscal Year Ending	Long-Term Notes Payable		General Obligation Bonds		Total	
	Principal	Interest *	Principal	Interest *	Principal	Interest
2021	\$ 917,000	\$ 162,569	\$ 2,410,000	\$ 964,964	\$ 3,327,000	\$ 1,127,533
2022	938,000	141,707	2,440,000	931,313	3,378,000	1,073,020
2023	954,000	123,227	1,989,966	903,037	2,943,966	1,026,264
2024	970,000	104,377	2,400,000	875,737	3,370,000	980,114
2025	992,000	85,276	2,430,000	840,487	3,422,000	925,763
2026-2030	4,269,000	148,227	9,005,000	1,903,985	13,274,000	2,052,212
2031-2035	-	-	1,525,000	33,657	1,525,000	33,657
Total	<u>\$ 9,040,000</u>	<u>\$ 765,383</u>	<u>\$ 22,199,966</u>	<u>\$ 6,453,180</u>	<u>\$ 31,239,966</u>	<u>\$ 7,218,563</u>

* \$672,207 direct payments from federal government, less 5.9% due to sequestration.

Note 17 - Set-Asides

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

	Capital Improvements	Budget Stabilization
Set-Aside Balance as of June 30, 2019	\$ -	\$ 134,873
Current Year Set-Aside Requirements	268,708	-
Qualifying Disbursements	(312,375)	-
Total	(43,667)	134,873
Set-Aside Balance Carried Forward to Future Fiscal Years	(43,667)	-
Set-Aside Balance as of June 30, 2020	\$ (43,667)	\$ 134,873

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

Note 18 – Jointly Governed Organizations

Ohio Schools’ Council Association - The Ohio Schools’ Council Association (Council) is a jointly governed organization among over two hundred school districts, JVS, ESC and DD boards. 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 2020, the School District paid \$12,206 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The OSC’s Natural Gas Program supplies natural gas to member districts in Dominion East Ohio (DEO) and Columbia Gas of Ohio (COH) territories. The current supplier and manager is Constellation New Energy (formerly Compass as of July 1, 2017). OSC have a variable rate with a 100% swing tolerance (so any over/under usage does not incur additional charges). OSC currently has 165 districts in the program and we service the Columbia and Dominion territories. The OSC gas program bills each district a level billing amount each month (aka budget billing) for consumption based on last year's usage with an ending year balance calculated at the end of the fiscal year. If there is a positive balance the district can request a refund or use the credit toward future invoices until the amount is used up. The utility invoices the district for transportation.

In May 2014, The Ohio Schools Council negotiated and approved a contract for discounted electric generation with First Energy Solutions through Power4Schools(P4S) for schools in the FirstEnergy territory—Ohio Edison, Cleveland Electric Illuminating and Toledo Edison. There are 110 districts participating in this program including Beachwood School District.

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 20 members. The School District paid \$80,751 to LGCA during fiscal year 2020.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 19 - 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, 2020.

B. Litigation

The School District has been named as a defendant in one case through the period ended June 30, 2020. Management does not believe that the ultimate resolution of this case will have a material impact on the financial statements of the School District and further believes that the School District has adequate insurance coverage to protect itself against any material loss.

C. Full Time Equivalent (FTE)

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2020 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2020 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

Note 20 – Other Commitments

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are components of fund balance for subsequent year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. As of June 30, 2020, the School District's commitments for encumbrances in the governmental funds were as follows:

	<u>Outstanding Encumbrances</u>
General Fund	\$ 211,808
Permanent Improvement Fund	289,180
Nonmajor governmental funds	<u>79,989</u>
	<u><u>\$ 580,977</u></u>

Note 21 – Subsequent Event Note

The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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*REQUIRED
SUPPLEMENTARY
INFORMATION*

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
School Employees Retirement System (SERS) of Ohio
Last Seven Fiscal Years (1)

	2020	2019	2018	2017
School District's Proportion of the Net Pension Liability	0.1747117%	0.1898316%	0.1892119%	0.1850622%
School District's Proportionate Share of the Net Pension Liability	\$ 10,453,308	\$ 10,872,008	\$ 11,304,993	\$ 13,544,846
School District's Covered Payroll	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	174.38%	176.06%	185.52%	242.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.85%	71.36%	69.50%	62.98%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the School District's measurement date which is the prior fiscal period end.

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.1850622%	0.189335%	0.203489%
\$ 10,803,609	\$ 10,298,462	\$ 12,100,838
\$ 5,907,329	\$ 5,357,287	\$ 5,263,129
182.88%	192.23%	229.92%
69.16%	71.70%	65.52%

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System (STRS) of Ohio
Last Seven Fiscal Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.13708880%	0.13985150%	0.13660450%	0.13652209%
School District's Proportionate Share of the Net Pension Liability	\$ 30,316,365	\$ 30,750,205	\$ 32,450,692	\$ 45,698,059
School District's Covered Payroll	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.36%	188.86%	214.93%	314.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.40%	77.31%	75.29%	66.80%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the School District's measurement date which is the prior fiscal period end.

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.14090955%	0.14048700%	0.14048700%
\$ 38,943,279	\$ 34,171,300	\$ 40,704,629
\$ 15,296,057	\$ 15,615,492	\$ 15,469,908
254.60%	218.83%	263.12%
72.10%	74.70%	69.30%

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of District Contributions - Pension
School Employees Retirement System (SERS) of Ohio
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 903,378	\$ 809,249	\$ 833,671	\$ 853,115
Contributions in Relation to the Contractually Required Contribution	<u>(903,378)</u>	<u>(809,249)</u>	<u>(833,671)</u>	<u>(853,115)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 6,452,700	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679
Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	14.00%

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$ 783,465	\$ 778,586	\$ 742,520	\$ 728,417	\$ 765,115	\$ 811,377
<u>(783,465)</u>	<u>(778,586)</u>	<u>(742,520)</u>	<u>(728,417)</u>	<u>(765,115)</u>	<u>(811,377)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of District Contributions - Pension
State Teachers Retirement System (STRS) of Ohio
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 2,400,733	\$ 2,253,266	\$ 2,279,458	\$ 2,113,721
Contributions in Relation to the Contractually Required Contribution	<u>(2,400,733)</u>	<u>(2,253,266)</u>	<u>(2,279,458)</u>	<u>(2,113,721)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 17,148,093	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$ 2,031,181	\$ 2,141,448	\$ 2,030,014	\$ 2,011,088	\$ 1,900,949	\$ 1,883,505
(2,031,181)	(2,141,448)	(2,030,014)	(2,011,088)	(1,900,949)	(1,883,505)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System (SERS) of Ohio
Last Four Fiscal Years (1)

	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.1777379%	0.1913857%	0.1914478%	0.1875175%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,469,734	\$ 5,309,556	\$ 5,137,956	\$ 5,344,942
School District's Covered Payroll	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	74.56%	85.98%	84.32%	95.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability/Asset
State Teachers Retirement System (STRS) of Ohio
Last Four Fiscal Years (1)

	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability/Asset	0.13708880%	0.13985150%	0.13660450%	0.13652209%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (2,270,519)	\$ (2,247,273)	\$ 5,329,803	\$ 7,301,237
School District's Covered Payroll	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436
School District's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.11%	-13.80%	35.30%	50.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	174.74%	176.00%	47.11%	37.30%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the School District's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of District Contributions - OPEB
School Employees Retirement System (SERS) of Ohio
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution (1)	\$ 85,765	\$ 132,331	\$ 128,949	\$ 124,468
Contributions in Relation to the Contractually Required Contribution	<u>(85,765)</u>	<u>(132,331)</u>	<u>(128,949)</u>	<u>(124,468)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District Covered Payroll	\$ 6,452,700	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679
OPEB Contributions as a Percentage of Covered Payroll (1)	1.33%	2.21%	2.09%	2.04%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

2016	2015	2014	2013	2012	2011
\$ 94,787	\$ 144,134	\$ 108,325	\$ 98,837	\$ 125,157	\$ 189,389
<u>(94,787)</u>	<u>(144,134)</u>	<u>(108,325)</u>	<u>(98,837)</u>	<u>(125,157)</u>	<u>(189,389)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869
1.69%	2.44%	2.02%	1.88%	2.20%	2.93%

Beachwood City School District
Schedules of Required Supplementary Information
Schedule of District Contributions - OPEB
State Teachers Retirement System (STRS) of Ohio
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 17,148,093	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 156,155	\$ 154,699	\$ 146,227	\$ 144,885
<u>-</u>	<u>-</u>	<u>(156,155)</u>	<u>(154,699)</u>	<u>(146,227)</u>	<u>(144,885)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017 and 2019-2020.

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in assumptions- SERS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016 and 2018-2020. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement (h) change in discount rate from 7.75% to 7.5%.

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2020.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017 and 2019-2020. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

Net OPEB Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2018-2020.

Changes in Assumptions – SERS

Amounts reported for fiscal years 2018-2020 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

**Single Equivalent Interest Rate, net of plan investment expense,
including price inflation**

Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Medicare Trend Assumption

Medicare

Fiscal year 2020	5.25 percent decreasing to 4.75 percent
Fiscal year 2019	5.375 percent decreasing to 4.75 percent
Fiscal year 2018	5.50 percent decreasing to 5.00 percent

Pre - Medicare

Fiscal year 2020	7.00 percent decreasing to 4.75 percent
Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2020, the health care cost trend rates were modified.

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2020, claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984 per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

Special Trust - This fund is used to account for contributions which can be expended for school district programs.

Uniform Supplies – This fund accounts for the purchase and sale of school supplies, materials or other school related items above the items provided for general instruction, paid for by students. This fund had no activity in fiscal year 2020.

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

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

Consortium – This fund accounts for services to other Districts for vocation training programs and for educating deaf and hearing-impaired children on a cost-reimbursement basis.

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.

Termination Benefits – This fund accumulates monies to pay termination benefits to eligible employees. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements. This fund is a separate legally adopted budget and has not been combined with the General Fund on the budgetary statement and schedules.

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

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

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

Nonmajor Special Revenue Funds (continued)

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

Student Wellness- This fund accounts for services to students meeting the needs of the whole child which include mental health services.

Miscellaneous State Grants – This fund accounts for state revenues for safety related equipment.

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

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

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

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

Miscellaneous Federal Grants – This fund accounts for federal revenues which account for student support and academic achievement.

Nonmajor Proprietary Fund

Proprietary funds focus on the determination of the changes in net position, 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 health, vision, dental and prescription drug claims for employees.

Beachwood City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 3,547,808	\$ 3,547,808
Materials and Supplies Inventory	4,221	4,221
Accounts Receivable	8,848	8,848
Intergovernmental Receivable	18,196	18,196
Total Assets	\$ 3,579,073	\$ 3,579,073
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 54,180	\$ 54,180
Contracts Payable	7,211	7,211
Accrued Wages and Benefits	251,817	251,817
Intergovernmental Payable	59,340	59,340
Interfund Payable	2,523,311	2,523,311
Total Liabilities	2,895,859	2,895,859
Deferred Inflows of Resources:		
Unavailable Revenues - Grants	18,196	18,196
Unavailable Revenues - Other	2,384	2,384
Total Deferred Inflows of Resources	20,580	20,580
Fund Balances:		
Nonspendable	4,221	4,221
Restricted	1,012,044	1,012,044
Unassigned (Deficit)	(353,631)	(353,631)
Total Fund Balances	662,634	662,634
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,579,073	\$ 3,579,073

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Intergovernmental	\$ 2,276,012	\$ 2,276,012
Interest	2,757	2,757
Tuition and Fees	1,281,150	1,281,150
Extracurricular Activities	58,421	58,421
Customer Sales and Services	371,254	371,254
Contributions and Donations	15,599	15,599
All Other Revenues	15,531	15,531
Total Revenues	4,020,724	4,020,724
EXPENDITURES		
Current:		
Instruction:		
Regular	105,139	105,139
Special	541,839	541,839
Vocational Instruction	800,100	800,100
Adult/Continuing Instruction	71,604	71,604
Supporting Services:		
Pupils	549,319	549,319
Instructional Staff	50,613	50,613
Administration	79,887	79,887
Operation and Maintenance of Plant	11,310	11,310
Pupil Transportation	11,408	11,408
Operation of Non-Instructional Services:		
Food Service Operations	561,045	561,045
Community Services	1,643,877	1,643,877
Extracurricular Activities	174,797	174,797
Total Expenditures	4,600,938	4,600,938
Excess of Revenues Over (Under) Expenditures	(580,214)	(580,214)
OTHER FINANCING SOURCES		
Transfers In	307,350	307,350
Total Other Financing Sources	307,350	307,350
Net Change in Fund Balances	(272,864)	(272,864)
Fund Balances - Beginning of Year	935,498	935,498
Fund Balances - End of Year	\$ 662,634	\$ 662,634

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	Food Service	Special Trust	Marketing School Store	Recreation
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 18,260	\$ 19,035	\$ 6,438	\$ 1,375
Materials and Supplies Inventory	4,221	-	-	-
Accounts Receivable	1,732	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 24,213	\$ 19,035	\$ 6,438	\$ 1,375
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 15,768	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Wages and Benefits	-	-	-	861
Intergovernmental Payable	10,194	-	-	4,555
Interfund Payable	-	-	-	-
Total Liabilities	25,962	-	-	5,416
Deferred Inflows of Resources:				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Other	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	4,221	-	-	-
Restricted	-	19,035	6,438	-
Unassigned (Deficit)	(5,970)	-	-	(4,041)
Total Fund Balances (Deficit)	(1,749)	19,035	6,438	(4,041)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,213	\$ 19,035	\$ 6,438	\$ 1,375



<u>Consortium</u>	<u>Pupil Support</u>	<u>Miscellaneous Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>
\$ 2,393,384	\$ 38,845	\$ 6,103	\$ 871,005	\$ 95,559	\$ 74,130
-	-	-	-	-	-
2,229	536	-	2,071	2,280	-
-	-	-	-	-	-
<u>\$ 2,395,613</u>	<u>\$ 39,381</u>	<u>\$ 6,103</u>	<u>\$ 873,076</u>	<u>\$ 97,839</u>	<u>\$ 74,130</u>
\$ -	\$ 399	\$ -	\$ 4,634	\$ -	\$ 25,004
-	-	-	-	-	-
176,977	-	-	60,295	-	4,994
22,873	-	-	18,863	-	683
2,523,311	-	-	-	-	-
<u>2,723,161</u>	<u>399</u>	<u>-</u>	<u>83,792</u>	<u>-</u>	<u>30,681</u>
-	-	-	-	-	-
1,073	-	-	1,311	-	-
<u>1,073</u>	<u>-</u>	<u>-</u>	<u>1,311</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	38,982	6,103	787,973	97,839	43,449
(328,621)	-	-	-	-	-
<u>(328,621)</u>	<u>38,982</u>	<u>6,103</u>	<u>787,973</u>	<u>97,839</u>	<u>43,449</u>
<u>\$ 2,395,613</u>	<u>\$ 39,381</u>	<u>\$ 6,103</u>	<u>\$ 873,076</u>	<u>\$ 97,839</u>	<u>\$ 74,130</u>

(Continued)

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2020

	One Net	Student Wellness	Miscellaneous State Grants	IDEA B	Title III - Limited English Proficiency	Title I
ASSETS						
Equity in Pooled Cash and Cash Equivalents	\$ 5,039	\$ 8,300	\$ 6,295	\$ 1,513	\$ -	\$ 787
Materials and Supplies Inventory	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Intergovernmental Receivable	-	-	-	7,222	-	10,974
Total Assets	\$ 5,039	\$ 8,300	\$ 6,295	\$ 8,735	\$ -	\$ 11,761
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,635	\$ -	\$ -
Accrued Wages and Benefits	-	7,211	-	8,690	-	-
Intergovernmental Payable	-	985	-	1,187	-	-
Interfund Payable	-	-	-	-	-	-
Total Liabilities	-	8,196	-	16,512	-	-
Deferred Inflows of Resources:						
Unavailable Revenues - Grants	-	-	-	7,222	-	10,974
Unavailable Revenues - Other	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	7,222	-	10,974
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	5,039	104	6,295	-	-	787
Unassigned (Deficit)	-	-	-	(14,999)	-	-
Total Fund Balances (Deficit)	5,039	104	6,295	(14,999)	-	787
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,039	\$ 8,300	\$ 6,295	\$ 8,735	\$ -	\$ 11,761

Preschool Handicapped Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 1,740	\$ 3,547,808
-	-	-	4,221
-	-	-	8,848
-	-	-	18,196
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,740</u>	<u>\$ 3,579,073</u>

\$ -	\$ -	\$ 1,740	\$ 54,180
-	-	-	259,028
-	-	-	59,340
-	-	-	2,523,311
<u>-</u>	<u>-</u>	<u>1,740</u>	<u>2,895,859</u>

-	-	-	18,196
-	-	-	2,384
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,580</u>

-	-	-	4,221
-	-	-	1,012,044
-	-	-	(353,631)
<u>-</u>	<u>-</u>	<u>-</u>	<u>662,634</u>

<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,740</u>	<u>\$ 3,579,073</u>
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Beachwood City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	<u>Food Service</u>	<u>Special Trust</u>	<u>Marketing School Store</u>	<u>Recreation</u>
REVENUES				
Intergovernmental	\$ 88,834	\$ -	\$ -	\$ -
Interest	356	55	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	16,341	-
Customer Sales and Services	354,111	-	-	5,799
Contributions and Donations	-	-	-	-
All Other Revenues	4,001	-	-	-
Total Revenues	<u>447,302</u>	<u>55</u>	<u>16,341</u>	<u>5,799</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Vocational Instruction	-	-	18,700	-
Adult/Continuing Instruction	-	-	-	71,604
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	561,045	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	<u>561,045</u>	<u>-</u>	<u>18,700</u>	<u>71,604</u>
Excess of Revenues Over (Under) Expenditures	<u>(113,743)</u>	<u>55</u>	<u>(2,359)</u>	<u>(65,805)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>131,000</u>	-	-	<u>66,350</u>
Total Other Financing Sources	<u>131,000</u>	-	-	<u>66,350</u>
Net Change in Fund Balances	17,257	55	(2,359)	545
Fund Balances (Deficit) - Beginning of Year	<u>(19,006)</u>	<u>18,980</u>	<u>8,797</u>	<u>(4,586)</u>
Fund Balances (Deficit) - End of Year	<u>\$ (1,749)</u>	<u>\$ 19,035</u>	<u>\$ 6,438</u>	<u>\$ (4,041)</u>

Consortium	Pupil Support	Miscellaneous Local Grants	Preschool	District Managed Student Activities	Auxiliary Services
\$ 575,945	\$ -	\$ -	\$ -	\$ -	\$ 752,259
-	-	-	-	-	2,346
749,114	-	-	532,036	-	-
-	-	-	-	42,080	-
11,344	-	-	-	-	-
-	15,599	-	-	-	-
122	-	11,408	-	-	-
<u>1,336,525</u>	<u>15,599</u>	<u>11,408</u>	<u>532,036</u>	<u>42,080</u>	<u>754,605</u>
-	5,895	114	-	-	-
240,104	49	-	-	-	-
781,400	-	-	-	-	-
-	-	-	-	-	-
320,292	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,408	-	-	-
-	-	-	-	-	-
-	-	-	807,246	-	772,276
-	-	-	-	145,457	-
<u>1,341,796</u>	<u>5,944</u>	<u>11,522</u>	<u>807,246</u>	<u>145,457</u>	<u>772,276</u>
<u>(5,271)</u>	<u>9,655</u>	<u>(114)</u>	<u>(275,210)</u>	<u>(103,377)</u>	<u>(17,671)</u>
-	-	-	-	110,000	-
-	-	-	-	110,000	-
<u>(5,271)</u>	<u>9,655</u>	<u>(114)</u>	<u>(275,210)</u>	<u>6,623</u>	<u>(17,671)</u>
<u>(323,350)</u>	<u>29,327</u>	<u>6,217</u>	<u>1,063,183</u>	<u>91,216</u>	<u>61,120</u>
<u>\$ (328,621)</u>	<u>\$ 38,982</u>	<u>\$ 6,103</u>	<u>\$ 787,973</u>	<u>\$ 97,839</u>	<u>\$ 43,449</u>

Beachwood City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2020

	One Net	Student Wellness	Miscellaneous State Grants	IDEA B	Title III - Limited English Proficiency
REVENUES					
Intergovernmental	\$ 9,000	43,156	46,945	\$ 598,559	\$ 18,062
Interest	-	-	-	-	-
Tuition and Fees	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Customer Sales and Services	-	-	-	-	-
Contributions and Donations	-	-	-	-	-
All Other Revenues	-	-	-	-	-
Total Revenues	<u>9,000</u>	<u>43,156</u>	<u>46,945</u>	<u>598,559</u>	<u>18,062</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	-	-	-	66,674	-
Special	-	-	-	187,677	18,062
Vocational Instruction	-	-	-	-	-
Adult/Continuing Instruction	-	-	-	-	-
Supporting Services:					
Pupils	-	-	-	221,107	-
Instructional Staff	7,561	43,052	-	-	-
Administration	-	-	-	79,887	-
Operation and Maintenance of Plant Services	-	-	11,310	-	-
Pupil Transportation	-	-	-	-	-
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	-	-
Community Services	-	-	-	58,213	-
Extracurricular Activities	-	-	29,340	-	-
Total Expenditures	<u>7,561</u>	<u>43,052</u>	<u>40,650</u>	<u>613,558</u>	<u>18,062</u>
Excess of Revenues Over (Under) Expenditures	<u>1,439</u>	<u>104</u>	<u>6,295</u>	<u>(14,999)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers In	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,439	104	6,295	(14,999)	-
Fund Balances (Deficit) - Beginning of Year	3,600	-	-	-	-
Fund Balances (Deficit) - End of Year	<u>\$ 5,039</u>	<u>\$ 104</u>	<u>\$ 6,295</u>	<u>\$ (14,999)</u>	<u>\$ -</u>

(Continued)

Title I	Preschool Handicapped Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 93,005	\$ 6,167	\$ 33,570	10,510	2,276,012
-	-	-	-	2,757
-	-	-	-	1,281,150
-	-	-	-	58,421
-	-	-	-	371,254
-	-	-	-	15,599
-	-	-	-	15,531
<u>93,005</u>	<u>6,167</u>	<u>33,570</u>	<u>10,510</u>	<u>4,020,724</u>
-	-	32,456	-	105,139
89,780	6,167	-	-	541,839
-	-	-	-	800,100
-	-	-	-	71,604
-	-	-	7,920	549,319
-	-	-	-	50,613
-	-	-	-	79,887
-	-	-	-	11,310
-	-	-	-	11,408
-	-	-	-	561,045
2,438	-	1,114	2,590	1,643,877
-	-	-	-	174,797
<u>92,218</u>	<u>6,167</u>	<u>33,570</u>	<u>10,510</u>	<u>4,600,938</u>
<u>787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(580,214)</u>
-	-	-	-	307,350
-	-	-	-	307,350
<u>787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272,864)</u>
-	-	-	-	935,498
<u>\$ 787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662,634</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 School District
Combining Statements of Change in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	Balance 7/1/2019	Additions	Reductions	Balance 6/30/2020
<u>Retirement</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,193,259	\$ 2,840,297	\$ 2,479,633	\$ 1,553,923
Liabilities				
Undistributed Monies	\$ 1,193,259	\$ 2,840,297	\$ 2,479,633	\$ 1,553,923
Total Liabilities	\$ 1,193,259	\$ 2,840,297	\$ 2,479,633	\$ 1,553,923
<u>Student Activities</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 146,773	\$ 101,496	\$ 75,428	\$ 172,841
Total Assets	\$ 146,773	\$ 101,496	\$ 75,428	\$ 172,841
Liabilities				
Due to Students	\$ 146,773	\$ 101,496	\$ 75,428	\$ 172,841
Total Liabilities	\$ 146,773	\$ 101,496	\$ 75,428	\$ 172,841
<u>Total Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,340,032	\$ 2,941,793	\$ 2,555,061	\$ 1,726,764
Total Assets	\$ 1,340,032	\$ 2,941,793	\$ 2,555,061	\$ 1,726,764
Liabilities				
Due to Students	\$ 1,193,259	\$ 2,840,297	\$ 2,479,633	\$ 172,841
Undistributed Monies	146,773	101,496	75,428	1,553,923
Total Liabilities	\$ 1,340,032	\$ 2,941,793	\$ 2,555,061	\$ 1,726,764

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 30,135,123	\$ 30,857,963	\$ 30,857,963	\$ -
Intergovernmental	3,736,068	3,021,064	3,261,142	240,078
Interest	650,000	700,000	727,294	27,294
Tuition and Fees	267,663	266,163	333,230	67,067
Rent	362,000	382,453	319,032	(63,421)
Gifts and Donations	8,500	7,500	400	(7,100)
Customer Sales and Services	159,600	194,300	189,342	(4,958)
Miscellaneous	410,306	2,479,099	2,478,599	(500)
Total Revenues	<u>35,729,260</u>	<u>37,908,542</u>	<u>38,167,002</u>	<u>258,460</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	9,330,040	9,387,208	9,376,375	10,833
Fringe Benefits	2,876,342	2,801,945	2,796,912	5,033
Purchased Services	173,107	144,262	89,475	54,787
Materials and Supplies	299,607	242,343	216,345	25,998
Other	136,187	139,537	92,071	47,466
Capital Outlay	188,744	175,859	174,106	1,753
Total - Regular	<u>13,004,027</u>	<u>12,891,154</u>	<u>12,745,284</u>	<u>145,870</u>
Special				
Salaries	3,460,557	3,509,600	3,471,855	37,745
Fringe Benefits	1,211,078	1,216,912	1,163,332	53,580
Purchased Services	1,982,350	1,448,450	1,442,640	5,810
Materials and Supplies	33,775	25,775	23,551	2,224
Capital Outlay	7,610	3,710	932	2,778
Total - Special	<u>6,695,370</u>	<u>6,204,447</u>	<u>6,102,310</u>	<u>102,137</u>
Vocational				
Purchased Services	400,900	718,900	596,796	122,104
Other	25,500	25,500	7,794	17,706
Total - Vocational	<u>426,400</u>	<u>744,400</u>	<u>604,590</u>	<u>139,810</u>
Other				
Salaries	71,167	95,167	73,701	21,466
Fringe Benefits	59,505	59,505	56,573	2,932
Purchased Services	141,000	146,000	136,582	9,418
Total - Other	<u>271,672</u>	<u>300,672</u>	<u>266,856</u>	<u>33,816</u>
Total - Instruction:	<u>20,397,469</u>	<u>20,140,673</u>	<u>19,719,040</u>	<u>421,633</u>

continued

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,613,166	1,703,396	1,665,753	37,643
Fringe Benefits	591,579	541,072	529,889	11,183
Purchased Services	170,236	167,336	166,984	352
Materials and Supplies	19,306	17,562	14,794	2,768
Other	6,816	7,285	1,977	5,308
Capital Outlay	6,118	13,593	8,277	5,316
	<u>2,407,221</u>	<u>2,450,244</u>	<u>2,387,674</u>	<u>62,570</u>
Total - Pupils				
Instructional Staff				
Salaries	1,121,831	1,219,973	1,218,292	1,681
Fringe Benefits	383,799	397,752	390,946	6,806
Purchased Services	263,395	250,854	223,363	27,491
Materials and Supplies	99,106	88,658	73,121	15,537
Other	250	750	248	502
Capital Outlay	248,132	210,332	197,585	12,747
	<u>2,116,513</u>	<u>2,168,319</u>	<u>2,103,555</u>	<u>64,764</u>
Total - Instructional Staff				
Board of Education				
Salaries	16,900	21,125	21,125	-
Fringe Benefits	3,562	4,412	4,412	-
Purchased Services	468,214	338,883	332,865	6,018
Materials and Supplies	1,200	1,200	568	632
Other	32,252	28,242	22,821	5,421
	<u>522,128</u>	<u>393,862</u>	<u>381,791</u>	<u>12,071</u>
Total - Board of Education				
Administration				
Salaries	1,513,676	1,504,676	1,503,557	1,119
Fringe Benefits	735,432	694,126	690,519	3,607
Purchased Services	107,356	98,058	79,220	18,838
Materials and Supplies	16,374	23,496	14,804	8,692
Other	75,752	76,356	73,644	2,712
Capital Outlay	3,738	8,876	6,886	1,990
	<u>2,452,328</u>	<u>2,405,588</u>	<u>2,368,630</u>	<u>36,958</u>
Total - Administration				
Fiscal				
Salaries	419,588	429,688	429,014	674
Fringe Benefits	183,909	183,909	180,903	3,006
Purchased Services	65,035	65,935	47,182	18,753
Materials and Supplies	2,500	2,500	1,076	1,424
Other	526,701	537,463	516,459	21,004
Capital Outlay	1,600	1,600	-	1,600
	<u>1,199,333</u>	<u>1,221,095</u>	<u>1,174,634</u>	<u>46,461</u>
Total - Fiscal				

continued

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	157,613	159,813	140,967	18,846
Fringe Benefits	64,428	66,712	57,526	9,186
Purchased Services	114,508	105,024	94,119	10,905
Materials and Supplies	9,635	15,635	14,220	1,415
Other	625	625	338	287
Capital Outlay	683	683	-	683
Total - Business	<u>347,492</u>	<u>348,492</u>	<u>307,170</u>	<u>41,322</u>
Operation and Maintenance of Plant				
Salaries	1,259,340	1,189,340	1,177,180	12,160
Fringe Benefits	518,912	446,188	434,713	11,475
Purchased Services	1,920,430	1,913,213	1,799,111	114,102
Materials and Supplies	245,692	219,576	204,870	14,706
Capital Outlay	15,843	14,781	13,652	1,129
Total - Operation and Maintenance of Plant	<u>3,960,217</u>	<u>3,783,098</u>	<u>3,629,526</u>	<u>153,572</u>
Pupil Transportation				
Salaries	989,859	1,099,859	1,098,716	1,143
Fringe Benefits	429,497	662,197	662,148	49
Purchased Services	80,941	99,741	84,344	15,397
Materials and Supplies	205,000	204,650	198,601	6,049
Other	500	500	35	465
Capital Outlay	90,606	123,706	123,676	30
Total - Pupil Transportation	<u>1,796,403</u>	<u>2,190,653</u>	<u>2,167,520</u>	<u>23,133</u>
Central				
Salaries	73,065	56,127	53,504	2,623
Fringe Benefits	25,309	23,049	20,214	2,835
Purchased Services	99,000	136,058	126,285	9,773
Materials and Supplies	10,475	10,340	7,735	2,605
Other	6,650	5,650	2,070	3,580
Total - Central	<u>214,499</u>	<u>231,224</u>	<u>209,808</u>	<u>21,416</u>
Total - Support Services:	<u>15,016,134</u>	<u>15,192,575</u>	<u>14,730,308</u>	<u>462,267</u>
Operation of Non-Instructional/Shared Services:				
Community Services				
Purchased Services	19,000	19,000	9,880	9,120
Materials and Supplies	12,350	12,350	9,461	2,889
Other	5,592	5,592	-	5,592
Total - Community Services	<u>36,942</u>	<u>36,942</u>	<u>19,341</u>	<u>17,601</u>
Total - Operation of Non-Instructional/Shared Services:	<u>36,942</u>	<u>36,942</u>	<u>19,341</u>	<u>17,601</u>

continued

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	168,885	167,385	166,873	512
Fringe Benefits	30,686	34,686	34,319	367
Total - Academic Oriented Activities	<u>199,571</u>	<u>202,071</u>	<u>201,192</u>	<u>879</u>
Sport Oriented Activities				
Salaries	698,788	731,043	681,757	49,286
Fringe Benefits	200,040	190,390	187,980	2,410
Total - Sport Oriented Activities	<u>898,828</u>	<u>921,433</u>	<u>869,737</u>	<u>51,696</u>
School and Public Service Co-Curricular Activities				
Salaries	40,934	58,334	58,318	16
Fringe Benefits	6,656	9,506	9,456	50
Total - School and Public Service Co-Curricular Activities	<u>47,590</u>	<u>67,840</u>	<u>67,774</u>	<u>66</u>
Total - Extracurricular Activities:	<u>1,145,989</u>	<u>1,191,344</u>	<u>1,138,703</u>	<u>52,641</u>
Total Expenditures				
Total Expenditures	<u>36,596,534</u>	<u>36,561,534</u>	<u>35,607,392</u>	<u>954,142</u>
Excess of Revenues Over (Under) Expenditures	<u>(867,274)</u>	<u>1,347,008</u>	<u>2,559,610</u>	<u>1,212,602</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	530,000	521,300	510,126	(11,174)
Proceeds from Sale of Capital Assets	10,000	19,811	19,811	-
Refund of Prior Year Expenditures	2,500	-	-	-
Transfers Out	(1,098,275)	(1,144,575)	(1,133,392)	11,183
Other Financing Uses	(20,000)	-	-	-
Total Other Financing Sources and Uses	<u>(575,775)</u>	<u>(603,464)</u>	<u>(603,455)</u>	<u>9</u>
Net Change in Fund Balances	(1,443,049)	743,544	1,956,155	1,212,611
Fund Balance at Beginning of Year	21,236,418	21,236,418	21,236,418	-
Prior Year Encumbrances Appropriated	<u>344,672</u>	<u>344,672</u>	<u>344,672</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 20,138,041</u>	<u>\$ 22,324,634</u>	<u>\$ 23,537,245</u>	<u>\$ 1,212,611</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 3,217,121	\$ 3,787,588	\$ 570,467
Intergovernmental	664,383	624,643	(39,740)
Total Revenues	<u>3,881,504</u>	<u>4,412,231</u>	<u>530,727</u>
EXPENDITURES:			
Debt Service:			
Principal	3,470,000	3,406,389	63,611
Interest and Fiscal Charges	1,231,006	1,231,006	-
Total Expenditures	<u>4,701,006</u>	<u>4,637,395</u>	<u>63,611</u>
Net Change in Fund Balances	(819,502)	(225,164)	594,338
Fund Balance at Beginning of Year	<u>3,493,348</u>	<u>3,493,348</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,673,846</u>	<u>\$ 3,268,184</u>	<u>\$ 594,338</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 1,233,712	\$ 613,187	\$ (620,525)
Intergovernmental	198,623	98,721	(99,902)
Interest	5,950	9,654	3,704
Miscellaneous	4,800	4,748	(52)
Total Revenues	<u>1,443,085</u>	<u>726,310</u>	<u>(716,775)</u>
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	38,980	38,670	310
Extracurricular Activities:			
Sport Oriented Activities	20,177	20,176	1
Capital Outlay:			
Site Improvement Services	6,000	5,800	200
Architecture and Engineering Services	369,000	350,000	19,000
Other Facilities Acquisition and Construction	382,458	345,755	36,703
Total Expenditures	<u>816,615</u>	<u>760,401</u>	<u>56,214</u>
Excess of Revenues Over (Under) Expenditures	<u>626,470</u>	<u>(34,091)</u>	<u>(660,561)</u>
OTHER FINANCING SOURCES:			
Long-term Tax Anticipation Notes Issued	5,550,100	5,550,100	-
Net Change in Fund Balances	6,176,570	5,516,009	(660,561)
Fund Balance at Beginning of Year	308,211	308,211	-
Prior Year Encumbrances Appropriated	188,439	188,439	-
Fund Balance at End of Year	<u>\$ 6,673,220</u>	<u>\$ 6,012,659</u>	<u>\$ (660,561)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 67,803	\$ 87,846	\$ 20,043
Interest	230	356	126
Customer Sales and Services	393,689	361,349	(32,340)
Miscellaneous	5,000	4,001	(999)
Total Revenues	<u>466,722</u>	<u>453,552</u>	<u>(13,170)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	<u>598,000</u>	<u>568,063</u>	<u>29,937</u>
Total Expenditures	<u>598,000</u>	<u>568,063</u>	<u>29,937</u>
Excess of Revenues Over (Under) Expenditures	<u>(131,278)</u>	<u>(114,511)</u>	<u>16,767</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>131,000</u>	<u>131,000</u>	<u>-</u>
Total Other Financing Sources	<u>131,000</u>	<u>131,000</u>	<u>-</u>
Net Change in Fund Balances	(278)	16,489	16,767
Fund Balance at Beginning of Year	1,575	1,575	-
Prior Year Encumbrances Appropriated	<u>196</u>	<u>196</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,493</u>	<u>\$ 18,260</u>	<u>\$ 16,767</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 46	\$ 55	\$ 9
Total Revenues	<u>46</u>	<u>55</u>	<u>9</u>
Net Change in Fund Balances	46	55	9
Fund Balance at Beginning of Year	<u>18,980</u>	<u>18,980</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 19,026</u>	<u>\$ 19,035</u>	<u>\$ 9</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Marketing School Store Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 25,000	\$ 16,341	\$ (8,659)
Total Revenues	<u>25,000</u>	<u>16,341</u>	<u>(8,659)</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational	<u>30,000</u>	<u>18,700</u>	<u>11,300</u>
Total Expenditures	<u>30,000</u>	<u>18,700</u>	<u>11,300</u>
Net Change in Fund Balances	(5,000)	(2,359)	2,641
Fund Balance at Beginning of Year	<u>8,797</u>	<u>8,797</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,797</u>	<u>\$ 6,438</u>	<u>\$ 2,641</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ 5,799	\$ 799
Total Revenues	<u>5,000</u>	<u>5,799</u>	<u>799</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing	<u>81,365</u>	<u>76,826</u>	<u>4,539</u>
Total Expenditures	<u>81,365</u>	<u>76,826</u>	<u>4,539</u>
Excess of Revenues Over (Under) Expenditures	<u>(76,365)</u>	<u>(71,027)</u>	<u>5,338</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>80,000</u>	<u>66,350</u>	<u>(13,650)</u>
Total Other Financing Sources	<u>80,000</u>	<u>66,350</u>	<u>(13,650)</u>
Net Change in Fund Balances	3,635	(4,677)	(8,312)
Fund Balance at Beginning of Year	<u>5,681</u>	<u>5,681</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,316</u>	<u>\$ 1,004</u>	<u>\$ (8,312)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ 575,000	\$ 575,000	\$ 575,945	\$ 945
Tuition and Fees	1,170,000	1,114,000	749,114	(364,886)
Customer Sales and Services	20,000	20,000	10,564	(9,436)
Total Revenues	<u>1,765,000</u>	<u>1,709,000</u>	<u>1,335,623</u>	<u>(373,377)</u>
EXPENDITURES:				
Current:				
Instruction:				
Special	338,400	336,517	278,827	57,690
Vocational	926,072	906,072	765,804	140,268
Support Services:				
Pupils	384,110	385,993	261,274	124,719
Total Expenditures	<u>1,648,582</u>	<u>1,628,582</u>	<u>1,305,905</u>	<u>322,677</u>
Excess of Revenues Over (Under) Expenditures	<u>116,418</u>	<u>80,418</u>	<u>29,718</u>	<u>(50,700)</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	1,996,135	2,060,835	2,023,597	(37,238)
Transfers Out	(1,996,135)	(2,024,835)	(2,023,597)	1,238
Total Other Financing Sources and Uses	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>(36,000)</u>
Net Change in Fund Balances	116,418	116,418	29,718	(86,700)
Fund Balance at Beginning of Year	2,356,450	2,356,450	2,356,450	-
Prior Year Encumbrances Appropriated	6,595	6,595	6,595	-
Fund Balance at End of Year	<u>\$ 2,479,463</u>	<u>\$ 2,479,463</u>	<u>\$ 2,392,763</u>	<u>\$ (86,700)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Pupil Support Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Contributions and Donations	\$ 24,740	\$ 15,063	\$ (9,677)
Total Revenues	<u>24,740</u>	<u>15,063</u>	<u>(9,677)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	16,510	6,395	10,115
Special	3,385	49	3,336
Support Services:			
Central	<u>105</u>	<u>-</u>	<u>105</u>
Total Expenditures	<u>20,000</u>	<u>6,444</u>	<u>13,556</u>
Net Change in Fund Balances	4,740	8,619	3,879
Fund Balance at Beginning of Year	29,068	29,068	-
Prior Year Encumbrances Appropriated	<u>259</u>	<u>259</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 34,067</u>	<u>\$ 37,946</u>	<u>\$ 3,879</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Grants Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ -	(5,000)
Miscellaneous	<u>10,000</u>	<u>11,408</u>	<u>1,408</u>
Total Revenues	<u>15,000</u>	<u>11,408</u>	<u>(3,592)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	4,742	114	4,628
Other	223	-	223
Support Services:			
Pupil Transportation	<u>11,408</u>	<u>11,408</u>	<u>-</u>
Total Expenditures	<u>16,373</u>	<u>11,522</u>	<u>4,851</u>
Net Change in Fund Balances	(1,373)	(114)	1,259
Fund Balance at Beginning of Year	5,412	5,412	-
Prior Year Encumbrances Appropriated	<u>805</u>	<u>805</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,844</u>	<u>\$ 6,103</u>	<u>\$ 1,259</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Termination Benefits Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	\$ 25,350	\$ 24,920	\$ 430
Special	25,875	20,952	4,923
Support Services:			
Pupils	15,250	15,115	135
Administration	10,250	-	10,250
Business	10,250	6,584	3,666
Operation and Maintenance of Plant	19,603	12,070	7,533
Pupil Transportation	1,015	980	35
Total Expenditures	<u>107,593</u>	<u>80,621</u>	<u>26,972</u>
Excess of Revenues Over (Under) Expenditures	<u>(107,593)</u>	<u>(80,621)</u>	<u>(26,972)</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balances	192,407	219,379	(26,972)
Fund Balance at Beginning of Year	<u>1,939,246</u>	<u>1,939,246</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,131,653</u>	<u>\$ 2,158,625</u>	<u>\$ (26,972)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 701,500	\$ 535,476	\$ (166,024)
Total Revenues	<u>701,500</u>	<u>535,476</u>	<u>(166,024)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>844,746</u>	<u>816,347</u>	<u>28,399</u>
Total Expenditures	<u>844,746</u>	<u>816,347</u>	<u>28,399</u>
Net Change in Fund Balances	(143,246)	(280,871)	(137,625)
Fund Balance at Beginning of Year	1,144,591	1,144,591	-
Prior Year Encumbrances Appropriated	<u>6,669</u>	<u>6,669</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,008,014</u>	<u>\$ 870,389</u>	<u>\$ (137,625)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 50,650	\$ 42,080	\$ (8,570)
Total Revenues	<u>50,650</u>	<u>42,080</u>	<u>(8,570)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities	4,357	2,255	2,102
Sport Oriented Activities	164,662	145,814	18,848
Total Expenditures	<u>169,019</u>	<u>148,069</u>	<u>20,950</u>
Excess of Revenues Over (Under) Expenditures	<u>(118,369)</u>	<u>(105,989)</u>	<u>12,380</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>115,000</u>	<u>110,000</u>	<u>(5,000)</u>
Total Other Financing Sources	<u>115,000</u>	<u>110,000</u>	<u>(5,000)</u>
Net Change in Fund Balances	(3,369)	4,011	7,380
Fund Balance at Beginning of Year	88,010	88,010	-
Prior Year Encumbrances Appropriated	<u>3,537</u>	<u>3,537</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 88,178</u>	<u>\$ 95,558</u>	<u>\$ 7,380</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 752,349	\$ 752,259	\$ (90)
Interest	<u>2,350</u>	<u>2,346</u>	<u>(4)</u>
Total Revenues	<u>754,699</u>	<u>754,605</u>	<u>(94)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>821,612</u>	<u>774,162</u>	<u>47,450</u>
Total Expenditures	<u>821,612</u>	<u>774,162</u>	<u>47,450</u>
Net Change in Fund Balances	(66,913)	(19,557)	47,356
Fund Balance at Beginning of Year	5,926	5,926	-
Prior Year Encumbrances Appropriated	<u>61,075</u>	<u>61,075</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 88</u>	<u>\$ 47,444</u>	<u>\$ 47,356</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
One Net Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 9,000	\$ 9,000	\$ -
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>-</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>7,600</u>	<u>7,561</u>	<u>39</u>
Total Expenditures	<u>7,600</u>	<u>7,561</u>	<u>39</u>
Net Change in Fund Balances	1,400	1,439	39
Fund Balance at Beginning of Year	<u>3,600</u>	<u>3,600</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 5,000</u></u>	<u><u>\$ 5,039</u></u>	<u><u>\$ 39</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Student Wellness Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 43,157	\$ 43,156	\$ (1)
Total Revenues	<u>43,157</u>	<u>43,156</u>	<u>(1)</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>43,157</u>	<u>34,857</u>	<u>8,300</u>
Total Expenditures	<u>43,157</u>	<u>34,857</u>	<u>8,300</u>
Net Change in Fund Balances	-	8,299	8,299
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 8,299</u>	<u>\$ 8,299</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grant Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 46,945	\$ 46,945	\$ -
Total Revenues	<u>46,945</u>	<u>46,945</u>	<u>-</u>
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	17,605	17,605	-
Extracurricular Activities:			
Sport Oriented Activities	<u>29,340</u>	<u>29,340</u>	<u>-</u>
Total Expenditures	<u>46,945</u>	<u>46,945</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
IDEA B Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 669,712	\$ 598,559	\$ (71,153)
Total Revenues	<u>669,712</u>	<u>598,559</u>	<u>(71,153)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	78,576	66,674	11,902
Special	188,478	187,677	801
Support Services:			
Pupils	208,921	205,992	2,929
Administration	79,887	79,887	-
Operation of Non-Instructional/Shared Services:			
Community Services	<u>113,850</u>	<u>58,213</u>	<u>55,637</u>
Total Expenditures	<u>669,712</u>	<u>598,443</u>	<u>71,269</u>
Net Change in Fund Balances	-	116	(142,422)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ (142,422)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 18,062	\$ 18,062	\$ -
Total Revenues	<u>18,062</u>	<u>18,062</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>18,062</u>	<u>18,062</u>	<u>-</u>
Total Expenditures	<u>18,062</u>	<u>18,062</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 116,409	\$ 93,005	\$ (23,404)
Total Revenues	<u>116,409</u>	<u>93,005</u>	<u>(23,404)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	93,707	89,780	3,927
Operation of Non-Instructional/Shared Services:			
Community Services	<u>22,702</u>	<u>3,225</u>	<u>19,477</u>
Total Expenditures	<u>116,409</u>	<u>93,005</u>	<u>23,404</u>
Net Change in Fund Balances	-	-	(1)
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 6,167	\$ 6,167	\$ -
Total Revenues	<u>6,167</u>	<u>6,167</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>6,167</u>	<u>6,167</u>	<u>-</u>
Total Expenditures	<u>6,167</u>	<u>6,167</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Title II-A Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 39,797	\$ 33,570	\$ (6,227)
Total Revenues	<u>39,797</u>	<u>33,570</u>	<u>(6,227)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	32,456	32,456	-
Operation of Non-Instructional/Shared Services:			
Community Services	<u>7,341</u>	<u>1,114</u>	<u>6,227</u>
Total Expenditures	<u>39,797</u>	<u>33,570</u>	<u>6,227</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grant Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 13,212	\$ 10,510	\$ (2,702)
Total Revenues	<u>13,212</u>	<u>10,510</u>	<u>(2,702)</u>
EXPENDITURES:			
Support Services:			
Pupils	7,920	7,920	-
Operation of Non-Instructional/Shared Services:			
Community Services	<u>5,292</u>	<u>2,590</u>	<u>2,702</u>
Total Expenditures	<u>13,212</u>	<u>10,510</u>	<u>2,702</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Health Care Benefits Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 4,000,000	\$ 4,024,365	\$ 24,365
Other Revenues	380,000	418,740	38,740
Total Operating Revenues	<u>4,380,000</u>	<u>4,443,105</u>	<u>63,105</u>
OPERATING EXPENSES:			
Claims	4,423,000	3,941,281	481,719
Other	250,000	199,632	50,368
Total Operating Expenses	<u>4,673,000</u>	<u>4,140,913</u>	<u>532,087</u>
Operating Income (Loss)	<u>(293,000)</u>	<u>302,192</u>	<u>595,192</u>
Income (Loss) Before Contributions and Transfers	<u>(293,000)</u>	<u>302,192</u>	<u>595,192</u>
Net Change in Net Position	(293,000)	302,192	595,192
Net Position at Beginning of Year	1,942,344	1,942,344	-
Prior Year Encumbrances Appropriated	<u>12,475</u>	<u>12,475</u>	<u>-</u>
Net Position at End of Year	<u>\$ 1,661,819</u>	<u>\$ 2,257,011</u>	<u>\$ 595,192</u>

STATISTICAL

SECTION

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Statistical Section

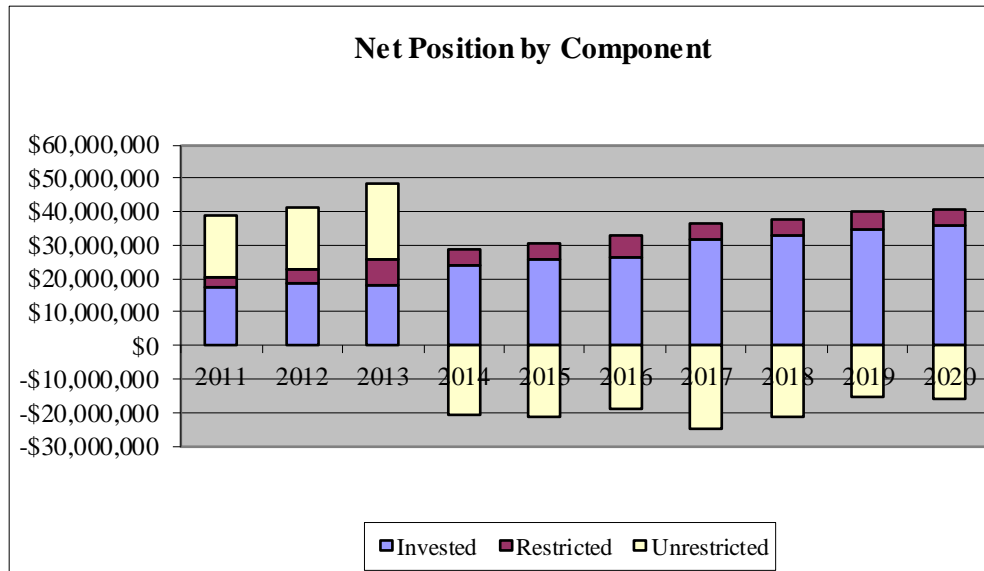
This part of the Beachwood City School District’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District’s overall financial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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being has changed over time.	S2 – S7
Revenue Capacity These schedules contain information to help the reader assess the School District’s most significant local revenue, the property tax.	S8-S12
Debt Capacity These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.	S13 – S16
Economic and Demographic Information This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District’s financial activities take place.	S17- S18
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.	S19 – S26
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003 and implemented GASB Statement No. 54 in fiscal year 2011; schedules presenting government-wide information include information beginning in that year. The School District implemented GASB Statement No. 68 in fiscal year 2015. The School District implemented GASB Statement No. 75 in fiscal year 2018.	

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Investment in Capital Assets	\$ 17,535,755	\$ 18,670,053	\$ 18,082,152	\$ 23,764,063	\$ 25,923,161	\$ 26,560,370	\$ 31,984,915	\$ 32,937,533	\$ 34,625,038	\$ 36,051,022
Restricted for:										
Debt Services	2,291,287	2,643,964	2,651,163	2,973,570	2,576,755	3,252,718	3,077,874	3,221,659	3,851,762	3,603,633
Capital Outlay	218,541	616,102	4,242,814	889,076	1,305,802	2,182,718	-	-	-	-
Other Purposes	325,704	423,498	668,352	660,011	543,051	1,013,143	1,038,742	1,163,756	1,253,918	971,704
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	18,205,741	18,737,752	22,323,262	(21,001,938)	(21,591,662)	(18,810,935)	(24,725,672)	(21,550,830)	(15,331,630)	(15,863,041)
Total Net Position	\$ 38,711,901	\$ 41,226,242	\$ 48,102,616	\$ 7,419,655	\$ 8,891,980	\$ 14,332,887	\$ 11,510,732	\$ 15,906,991	\$ 24,533,961	\$ 24,898,191

Source: District Financial Statements



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Regular Instruction	\$14,735,744	\$12,093,709	\$6,981,461	\$14,185,332	\$12,686,194	\$13,447,648	\$12,503,062	\$12,322,813	\$12,479,099	\$11,817,943
Special Instruction	7,030,637	6,433,537	4,346,907	6,515,516	5,632,796	6,253,498	5,554,774	6,073,357	6,841,655	6,393,564
Vocational Instruction	1,345,359	1,152,951	774,033	1,221,206	1,250,493	1,399,055	1,727,730	1,306,835	732,685	1,566,475
Adult/Conintuing	73,768	73,452	40,949	73,772	70,675	70,303	106,568	101,993	99,837	172,423
Other Instruction	270,473	213,074	48,096	312,115	289,608	265,444	282,232	267,839	238,069	128,063
Pupils	3,121,558	2,303,142	1,255,338	2,627,312	2,233,497	2,647,582	2,483,137	2,659,540	3,113,676	2,447,124
Instructional Staff	2,493,129	1,751,926	1,108,353	2,074,132	1,836,681	1,920,330	1,948,494	1,383,760	1,120,386	1,229,125
Board of Education	367,111	488,359	511,650	355,408	357,340	408,141	446,035	606,698	358,447	562,724
Administration	2,837,019	2,031,944	1,298,941	2,472,009	2,276,591	2,334,232	2,276,927	2,425,348	2,374,984	2,396,922
Fiscal	971,992	1,101,920	811,820	996,628	1,167,782	1,061,998	830,832	789,311	827,047	443,112
Business	325,686	301,740	263,756	418,986	356,635	326,285	284,773	418,499	459,488	464,459
Operation and										
Maintenance of Plant	3,829,264	3,538,169	3,265,550	4,162,520	3,944,032	3,547,759	4,465,843	3,481,534	3,676,973	3,435,706
Pupil Transportation	2,332,945	1,582,876	1,015,455	1,938,172	1,722,149	1,715,068	1,881,013	2,011,020	1,756,043	2,394,212
Central	267,109	151,670	317,415	291,687	247,360	188,585	75,288	375,875	700,838	779,644
Non-instructional	2,387,822	2,089,475	1,638,073	2,230,197	1,883,317	1,885,836	1,826,020	1,562,013	1,528,043	1,615,457
Extracurricular Activities	1,544,436	1,257,110	697,343	1,310,192	1,191,246	1,115,356	909,220	1,224,793	1,237,501	1,001,511
Interest and Fiscal Charges	1,238,371	1,375,676	2,222,392	1,549,639	1,437,967	1,365,362	1,663,812	2,093,321	1,991,584	1,759,116
<i>Total Expenses</i>	<i>\$45,172,423</i>	<i>\$37,940,730</i>	<i>\$26,597,532</i>	<i>\$42,734,823</i>	<i>\$38,584,363</i>	<i>\$39,952,482</i>	<i>\$39,265,760</i>	<i>\$39,104,549</i>	<i>\$39,536,355</i>	<i>\$38,607,580</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$169,627	\$190,482	\$200,877	\$197,711	\$187,527	\$223,848	\$173,762	\$198,005	\$198,931	\$262,524
Special Instruction	436,704	612,871	610,730	579,212	162,256	917,763	253,148	1,339,857	882,280	1,016,441
Vocational Instruction	329,259	385,319	232,089	346,228	456,962	627,211	599,952	636,639	581,738	810,461
Adult/Conintuing	5,799	4,100	4,995	6,110	4,598	6,500	6,853	10,597	16,141	43,777
Other Instruction	36,555	-	-	-	26,001	6,113	-	489	100	2,166
Pupils	280,323	333,327	447,634	223,357	170,157	489,453	508,341	774,941	804,828	917,293
Instructional Staff	373	74,630	3,609	12,616	9,064	12,512	2,065	2,701	51,699	59,206
Administration	-	537	-	2,917	1,268	959	-	3,574	-	-
Fiscal	-	-	-	-	20,199	20	18,882	17,401	9,088	20,410
Business	251	-	-	-	665	231	971	1,063	2,130	3,178
Operation and										
Maintenance of Plant	319,032	387,081	409,509	398,776	337,419	326,246	311,240	302,878	333,064	324,955
Pupil Transportation	286	1,251	41,397	2,384	3,731	7,780	5,033	2,525	2,244	-
Central	-	-	-	-	3,662	1,891	-	-	12,000	2,652
Food Service Operations	359,732	421,644	379,293	359,144	388,413	345,146	345,753	362,627	382,012	422,646
Community Services	528,048	817,853	776,427	767,277	703,030	731,997	558,981	633,130	562,874	499,863
Extracurricular Activities	44,760	50,183	56,423	47,989	47,452	54,583	52,064	60,329	80,872	46,729

Source: District Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Grants and Contributions:										
Regular Instruction	\$807,354	\$725,712	\$640,042	\$583,902	\$377,004	\$462,809	\$560,713	\$954,217	\$1,101,653	\$549,983
Special Instruction	1,003,491	1,243,018	1,211,893	1,165,731	1,137,484	1,049,131	961,075	419,766	602,671	930,310
Vocational Instruction	484,492	249,357	237,702	320,397	296,470	494,562	495,738	341,849	387,084	471,903
Other Instruction	-	-	-	-	-	-	-	95,243	-	-
Pupils	277,148	207,557	155,581	237,437	245,630	233,488	162,901	298,176	344,971	225,966
Instructional Staff	52,156	7,200	7,200	468	1,952	8,550	149,687	126,642	82,014	71,242
Administration	80,089	1,186	3,960	3,341	9,538	11,269	-	12,726	13,862	-
Operations	13,061	5,825	28,325	18,091	32,855	53,529	-	63,630	29,705	-
Pupil Transportation	77,181	317,840	377,852	405,306	451,538	420,648	337,890	52,733	30,671	470,815
Central	-	-	-	-	-	-	-	7,200	9,000	16,375
Food Service Operations	88,834	75,040	62,629	60,585	66,309	71,733	57,098	81,350	68,588	68,349
Community Services	810,080	804,846	789,705	817,661	756,588	688,541	597,713	572,830	519,955	563,069
Extracurricular Activities	33,884	-	-	-	-	-	-	-	-	-
Total Program Revenues	6,238,519	6,916,859	6,677,872	6,556,640	5,897,772	7,246,513	6,159,860	7,373,118	7,110,175	7,800,313
Net Expenses	(\$38,933,904)	(\$31,023,871)	(\$19,919,660)	(\$36,178,183)	(\$32,686,591)	(\$32,705,969)	(\$33,105,900)	(\$31,731,431)	(\$32,426,180)	(\$30,807,267)

Source: District Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Not Restricted to Specific Services	2,548,450	3,854,155	4,323,371	5,132,300	5,515,570	5,504,910	5,687,462	5,647,472	6,385,851	6,845,143
Investment Earnings	1,673,196	1,209,263	85,373	395,352	389,609	309,666	176,869	73,323	221,860	332,985
Miscellaneous	2,562,303	464,468	2,013,358	2,448,304	1,752,422	632,226	2,712,099	5,436,826	298,808	250,458
Property Taxes	32,514,185	34,122,955	30,415,528	25,380,072	30,469,897	27,731,492	33,708,619	27,450,186	28,034,000	26,914,433
<i>Total General Revenues</i>	<u>39,298,134</u>	<u>39,650,841</u>	<u>36,837,630</u>	<u>33,356,028</u>	<u>38,127,498</u>	<u>34,178,294</u>	<u>42,285,049</u>	<u>38,607,807</u>	<u>34,940,519</u>	<u>34,343,019</u>
<i>Change in Net Position</i>	<u>\$364,230</u>	<u>\$8,626,970</u>	<u>\$16,917,970</u>	<u>(\$2,822,155)</u>	<u>\$5,440,907</u>	<u>\$1,472,325</u>	<u>\$9,179,149</u>	<u>\$6,876,376</u>	<u>\$2,514,339</u>	<u>\$3,535,752</u>

Source: District Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>General Fund</i>										
Nonspendable	57,091	48,680	41,199	60,591	81,171	79,722	91,882	81,213	77,423	78,834
Restricted	134,873	134,873	149,705	142,289	134,873	134,873	134,873	134,873	134,873	142,715
Committed	211,808	329,769	214,660	297,139	257,275	446,142	227,580	245,081	312,464	466,442
Assigned	-	1,833,318	4,360,215	1,326,357	-	2,498,306	1,858,365	-	2,412,549	1,170,307
Unassigned	29,344,148	26,972,565	22,226,987	26,566,923	29,917,915	24,692,392	26,643,938	22,231,482	16,014,196	16,816,278
Total General Fund	29,747,920	29,319,205	26,992,766	28,393,299	30,391,234	27,851,435	28,956,638	22,692,649	18,951,505	18,674,576
<i>All Other Governmental Funds</i>										
Nonspendable	4,221	6,893	5,408	8,760	7,618	7,812	7,393	7,516	8,712	4,891
Restricted	7,920,365	5,240,582	4,511,642	4,272,483	2,226,762	4,164,315	4,486,583	4,719,857	4,691,417	30,162,866
Committed	-	-	-	-	4,487,517	560,228	278,044	3,113,215	16,807,535	6,097,755
Unassigned	(353,631)	(3,050,701)	(2,873,698)	(2,408,221)	-	-	(16,305)	(1,004)	(7,428)	-
Total All Other Governmental Funds	7,570,955	2,196,774	1,643,352	1,873,022	6,721,897	4,732,355	4,755,715	7,839,584	21,500,236	36,265,512
Total Governmental Funds	\$37,318,875	\$31,515,979	\$28,636,118	\$30,266,321	\$37,113,131	\$32,583,790	\$33,712,353	\$30,532,233	\$40,451,741	\$54,940,088

Note: The School District implemented GASB 54 in 2011.
Source: District Financial Statements

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues										
Property and Other Local Taxes	\$32,509,737	\$34,207,980	\$30,358,216	\$25,338,108	\$30,432,420	\$27,867,568	\$33,817,710	\$27,846,976	\$28,034,000	\$26,735,219
Integovernmental	6,531,025	7,488,480	7,881,207	8,616,046	8,890,938	8,999,170	9,010,277	8,673,834	9,576,025	10,213,155
Interest	1,398,774	1,209,263	85,373	395,352	390,304	309,750	176,914	73,489	221,951	333,272
Tuition and Fees/Rent	1,722,511	2,710,613	2,479,932	2,619,730	1,869,768	3,080,253	2,258,470	3,743,392	3,219,070	3,358,651
Miscellaneous Revenue from Local Sources	3,462,517	1,480,324	2,563,659	3,026,834	2,404,363	1,304,142	3,290,629	6,040,024	999,648	1,323,821
Total Revenues	\$45,624,564	\$47,096,660	\$43,368,387	\$39,996,070	\$43,987,793	\$41,560,883	\$48,554,000	\$46,377,715	\$42,050,694	\$41,964,118
Expenditures										
Instruction	\$21,170,757	\$21,370,995	\$21,085,410	\$19,552,428	\$18,863,191	\$20,227,953	\$19,818,267	\$19,751,303	\$19,532,432	\$19,158,837
Support Services:										
Pupil	2,958,793	2,509,241	2,546,653	2,519,937	2,106,213	2,605,118	2,491,157	2,696,076	3,046,113	2,488,406
Instructional Staff	2,049,886	1,698,279	1,632,673	1,734,769	1,830,686	1,934,842	2,005,568	1,338,612	1,054,135	1,245,680
Board of Education	343,668	468,415	504,063	332,135	336,313	387,993	424,218	585,644	337,438	543,728
Administration	2,530,327	2,275,922	2,394,327	2,310,290	2,271,929	2,348,437	2,265,053	2,397,235	2,367,983	2,357,983
Fiscal	1,190,593	1,108,468	1,148,971	1,171,421	1,002,165	1,114,806	1,041,887	873,283	1,106,852	965,920
Business	312,953	321,904	380,556	389,899	349,582	356,524	288,951	415,861	479,569	456,991
Operation and Maintenance of Plant	3,617,448	3,650,656	4,070,440	3,938,490	3,707,137	3,482,222	3,409,790	3,023,997	2,948,024	3,228,836
Pupil Transportation	2,096,087	1,628,388	1,644,348	1,748,501	1,761,570	1,955,864	1,906,237	2,030,773	1,665,516	2,256,616
Central	213,505	194,649	306,702	280,386	299,163	253,730	244,583	918,231	1,124,218	1,317,613
Non-instructional	2,225,073	2,028,906	1,886,457	2,014,808	1,807,773	1,778,066	1,831,026	1,500,237	1,488,316	1,584,575
Extracurricular Activities	1,382,701	1,329,787	1,279,893	1,259,237	1,186,277	1,159,468	1,074,734	1,215,381	1,217,815	968,684
Capital Outlay	589,921	937,080	1,399,982	5,067,174	4,882,239	963,409	4,279,834	15,314,306	16,076,522	3,304,901
Debt Service:										
Principal	3,470,000	3,315,000	2,439,166	3,062,737	2,740,000	2,710,000	2,515,000	2,440,000	2,230,000	2,060,000
Interest	1,280,906	1,395,426	2,288,257	1,492,599	1,501,060	1,411,014	2,146,160	2,013,447	2,036,195	2,092,818
Total Expenditures	45,432,618	44,233,116	45,007,898	46,874,811	44,645,298	42,689,446	45,742,465	56,514,386	56,711,128	44,031,588
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>191,946</i>	<i>2,863,544</i>	<i>(1,639,511)</i>	<i>(6,878,741)</i>	<i>(657,505)</i>	<i>(1,128,563)</i>	<i>2,811,535</i>	<i>(10,136,671)</i>	<i>(14,660,434)</i>	<i>(2,067,470)</i>
Other Financing Sources/(Uses)										
Operating Transfers In	307,350	175,000	250,000	203,000	195,500	259,572	272,600	331,600	233,540	243,024
General Obligation Bonds Issued	-	-	-	-	5,009,296	-	16,569,966	3,325,175	-	30,319,567
Note Issuance	5,600,000	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	10,950	16,317	9,308	31,931	-	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	177,542	-	291,635	157,750	172,087	267,639
Other Financing Sources	-	-	-	-	-	-	246,984	-	-	-
Operating Transfers Out	(307,350)	(175,000)	(250,000)	(203,000)	(195,500)	(259,572)	(272,600)	(331,600)	(233,540)	(243,024)
Refunding of Bonds	-	-	-	-	-	-	(16,740,000)	(3,265,762)	-	-
	5,610,950	16,317	9,308	31,931	5,186,838	-	368,585	217,163	172,087	30,587,206
Net Changes in Fund Balances	\$5,802,896	\$2,879,861	(\$1,630,203)	(\$6,846,810)	\$4,529,333	(\$1,128,563)	\$3,180,120	(\$9,919,508)	(\$14,488,347)	\$28,519,736
Debt Services as a percentage of Noncapital expenditures	10.59%	10.88%	10.84%	10.90%	10.56%	10.03%	10.74%	11.65%	10.04%	9.24%
Source: District Financial Statements										

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

Collection Year	Real Estate		Public Utility Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2020	\$ 792,289,930	\$ 2,263,685,514	\$ 12,992,330	\$ 14,764,011	\$ 805,282,260	\$ 2,278,449,526	92.10
2019	769,363,750	2,198,182,143	11,956,730	13,587,193	781,320,480	2,211,769,336	92.10
2018	713,048,270	2,037,280,771	14,404,130	16,368,330	727,452,400	2,053,649,101	86.20
2017	712,300,970	2,035,145,629	13,566,640	15,416,636	725,867,610	2,050,562,265	86.40
2016	707,183,170	2,020,523,343	12,895,080	14,653,500	720,078,250	2,035,176,843	86.40
2015	696,943,910	1,991,268,314	12,737,020	14,473,886	709,680,930	2,005,742,201	86.40
2014	696,761,180	1,990,746,229	12,248,200	13,918,409	709,009,380	2,004,664,638	86.40
2013	701,730,150	2,004,943,286	10,998,710	12,498,534	712,728,860	2,017,441,820	86.40
2012	699,199,670	1,997,713,343	10,143,050	11,526,193	709,342,720	2,009,239,536	86.40
2011	709,770,470	2,027,915,629	9,915,590	11,267,715	719,686,060	2,039,183,344	86.40

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

Assessed valuation for real property is based upon 35 percent of estimated true value set by county appraisal, and is 35 percent for public utility property.

Source: Cuyhaoga County Budget Commission

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

Tax Year/ Collection Year	Direct School Levy	Overlapping		Total Levy	Debt Service Included in Total Levy		
		County Levy	City Levy		School	County	Total
		2019/2020	92.10		24.33	4.00	120.43
2018/2019	92.10	23.93	4.00	120.03	4.20	0.95	5.15
2017/2018	86.20	23.93	4.00	114.13	4.20	1.45	5.65
2016/2017	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2015/2016	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2014/2015	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2013/2014	86.40	22.53	4.00	112.93	4.40	0.85	5.25
2012/2013	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2011/2012	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2010/2011	86.40	20.90	4.00	111.30	4.40	1.14	5.54

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis consistent with the County Fiscal Officer'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

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collected As a Percent of Current Levy</u>
2019/2020	\$38,455,861	\$591,590	\$39,047,451	\$36,748,631	95.56%	\$499,320	\$37,247,951	96.9%
2018/2019	36,945,184	493,080	37,438,264	36,319,308	98.31%	408,042	36,727,350	99.4%
2017/2018	33,476,523	793,681	34,270,204	31,611,023	94.43%	712,902	32,323,925	96.6%
2016/2017	33,397,718	2,149,143	35,546,861	31,598,660	94.61%	365,205	31,963,865	95.7%
2015/2016	32,750,590	1,112,487	33,863,077	30,959,431	94.53%	349,869	31,309,300	95.6%
2014/2015	32,929,787	24,369,590	57,299,377	29,959,212	90.98%	400,488	30,359,700	92.2%
2013/2014	32,718,952	18,232,690	50,951,642	32,023,221	97.87%	709,981	32,733,202	100.0%
2012/2013	32,713,108	15,059,270	47,772,378	30,120,713	92.08%	450,863	30,571,576	93.5%
2011/2012	32,715,403	12,492,683	45,208,086	29,975,093	91.62%	826,730	30,801,823	94.2%
2010/2011	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%

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

Beachwood City School District
Principal Property Taxpayers
Real Estate Tax
December 31, 2019 and December 31, 2010

Name of Taxpayer	Nature of Business	December 31, 2019	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$74,583,620	9.41%
Eaton Corporation	Retail	44,122,060	5.57%
OLP Beachwood LLC	Apartment Complex	27,942,150	3.53%
Vanguard Beachwood Apartments LLC	Apartment Complex	17,040,170	2.15%
Hamptons Apartment	Apartment Complex	15,846,290	2.00%
Four Seasons Apartments LLC	Apartment Complex	13,520,730	1.71%
Village Green of Beachwood	Condominiums	11,784,570	1.49%
DFG Pavilion LLC	Retail	10,480,030	1.32%
Developers Diversified	Realty	10,358,570	1.31%
Four Seasons Apartments IV LLC	Apartment Complex	9,637,850	1.22%
		<u>\$235,316,040</u>	<u>29.70%</u>
Total Commercial Valuation		<u>\$792,289,930</u>	

Name of Taxpayer	Nature of Business	December 31, 2010	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$57,858,580	8.15%
Cleveland Clinic	Health Care	47,450,670	6.69%
University Hospitals	Health Care	26,340,900	3.71%
Hamptons Apartment	Apartments	10,995,570	1.55%
Commerce Park	Office Buildings	9,800,020	1.38%
Village Green of Beachwood	Condominiums	9,890,870	1.39%
Four Seasons Apartments	Apartments	8,786,240	1.24%
Developers Diversified Realty	Realty	8,958,570	1.26%
Double Tree	Hotel	7,420,010	1.05%
Gotham King Fee Owner, LLC	Unknown	6,704,960	0.94%
		<u>\$194,206,390</u>	<u>27.36%</u>
Total Commercial Valuation		<u>\$709,770,470</u>	

Source: Cuyahoga County Fiscal Officer

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2019 and December 31, 2010

		December 31, 2019	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$8,768,970	67.49%
American Transmission System	Telephone	3,021,100	23.25%
East Ohio Gas Company	Gas Utility	1,259,980	9.70%
Total		\$13,050,050	100.44%
Total Public Utility Valuation		\$12,992,330	

		December 31, 2010	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$8,567,230	88.37%
Ohio Bell	Telephone	921,450	9.50%
Total		\$9,488,680	97.88%
Total Public Utility Valuation		\$9,694,520	

This tax was eliminated in its entirety in 2009

Beachwood City School District
All Outstanding Debt
Last Ten Years

Year	Gross General Bonded Debt	Notes Outstanding	Leases	Total	Total Debt/Capita*	(1) Debt Outstanding % Of Personal Income
2020	\$ 22,199,966	\$ 9,162,091	\$ -	\$ 31,362,057	\$ 2,624	5.5%
2019	24,604,966	4,644,532	-	29,249,498	2,447	5.1%
2018	26,994,966	5,586,973	-	32,581,939	2,726	5.7%
2017	28,500,619	6,524,414	59,169	35,084,202	2,935	6.1%
2016	30,766,271	7,326,855	116,906	38,210,032	3,197	6.7%
2015	33,001,923	2,885,000	97,197	35,984,120	3,010	6.3%
2014	35,202,575	3,440,000	244,826	38,887,401	3,253	6.8%
2013	37,567,973	3,995,000	103,847	41,666,820	3,486	7.3%
2012	39,812,758	4,550,000	202,643	44,565,401	3,728	7.8%
2011	40,724,998	5,105,000	178,426	46,008,424	3,849	8.0%

Source: Beachwood City Schools

* Population 11,953 per US census, 2010

(1) Information on Personal Income can be found on S-17.

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2019

<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	\$22,199,966	100.00%	\$22,199,966
<i>Overlapping Debt:</i>			
Cuyahoga County	245,120,000	2.92%	7,145,693
Cuyahoga Community College	207,010,000	2.92%	6,034,717
City of Beachwood	16,370,000	93.32%	15,276,453
City of Pepper Pike	<u>4,658,463</u>	0.54%	<u>25,235</u>
Total Overlapping Debt	<u>473,158,463</u>		<u>28,482,098</u>
Total Debt	<u><u>\$495,358,429</u></u>		<u><u>\$50,682,064</u></u>

Source: Cuyahoga County Fiscal Officer - Data is presented on a calendar year basis, consistent with the County Fiscal Officer'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 2020 collection year.

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

<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>Less Bond Retirement Fund</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net General Bonded Debt Per Capita</u>
2020	\$22,199,966	\$3,684,488	\$18,515,478	\$805,282,260	11,953	2.30%	\$1,549
2019	24,604,966	3,958,142	20,646,824	781,320,480	11,953	2.64%	1,727
2018	26,994,966	3,320,889	23,674,077	727,452,400	11,953	3.25%	1,981
2017	28,500,619	3,185,321	25,315,298	725,867,610	11,953	3.49%	2,118
2016	30,766,271	3,244,584	27,521,687	720,078,250	11,953	3.82%	2,302
2015	33,001,923	2,572,826	30,429,097	709,680,930	11,953	4.29%	2,546
2014	35,202,575	2,954,498	32,248,077	709,009,380	11,953	4.55%	2,698
2013	37,567,973	2,620,960	34,947,013	712,728,860	11,953	4.90%	2,924
2012	39,812,758	2,571,283	37,241,475	709,342,720	11,953	5.25%	3,116
2011	40,724,998	2,218,606	38,506,392	719,686,060	11,953	5.35%	3,221

(1) Source: Federal Census 2010

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Valuation	<u>\$805,282,260</u>	<u>\$781,320,480</u>	<u>\$727,452,400</u>	<u>\$725,867,610</u>	<u>\$720,078,250</u>	<u>\$709,680,930</u>	<u>\$709,009,380</u>	<u>\$712,728,860</u>	<u>\$709,342,720</u>	<u>\$719,686,060</u>	<u>\$722,870,740</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$72,475,403	\$70,318,843	\$65,470,716	\$65,328,085	\$64,807,043	\$63,871,284	\$63,810,844	\$64,145,597	\$63,840,845	\$64,771,745	\$65,058,367
Amount of Debt Applicable to Debt Limit: Bonded Debt	22,199,966	24,604,966	26,994,966	28,500,619	30,766,271	33,001,923	35,202,575	37,567,973	39,049,998	40,724,998	11,479,998
Less Bond Retirement Fund	<u>3,684,488</u>	<u>3,958,142</u>	<u>3,320,889</u>	<u>3,185,321</u>	<u>3,244,584</u>	<u>2,752,826</u>	<u>2,954,498</u>	<u>2,620,960</u>	<u>2,571,283</u>	<u>2,218,606</u>	<u>1,884,167</u>
Net General Bonded Debt	<u>18,515,478</u>	<u>20,646,824</u>	<u>23,674,077</u>	<u>25,315,298</u>	<u>27,521,687</u>	<u>30,429,097</u>	<u>32,248,077</u>	<u>34,947,013</u>	<u>36,478,715</u>	<u>38,506,392</u>	<u>9,595,831</u>
Voted Debt Margin	<u>\$53,959,925</u>	<u>\$49,672,019</u>	<u>\$41,796,639</u>	<u>\$40,012,787</u>	<u>\$37,285,356</u>	<u>\$33,442,187</u>	<u>\$31,562,767</u>	<u>\$29,198,584</u>	<u>\$27,362,130</u>	<u>\$26,265,353</u>	<u>\$55,462,536</u>
Ratio of Legal Debt Margin to Assessed Values	6.70%	6.36%	5.75%	5.51%	5.18%	4.71%	4.45%	4.10%	3.86%	3.65%	7.67%
Bonded Debt Limit - .1% of Assessed Value (1)	\$805,282	\$781,320	\$727,452	\$725,868	\$720,078	\$709,681	\$709,009	\$712,729	\$709,343	\$719,686	\$722,871
Unvoted Debt Margin	<u>\$805,282</u>	<u>\$781,320</u>	<u>\$727,452</u>	<u>\$725,868</u>	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>

Source: Cuyahoga County Fiscal Officer

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

Beachwood City School District
Demographic and Economic Statistics
Last Ten Years

<u>Year (1)</u>	<u>Population (1)</u>	<u>Average Federal Adjusted Gross Income (2)</u>	<u>Median Ohio Adjusted Gross Income (2)</u>	<u>Total Personal Income (3)</u>	<u>Per Capita Personal Income (4)</u>	<u>Debt as a % of Personal Income (5)</u>	<u>Cuyahoga County Unemployment Rate (6)</u>
2020	11,953	\$133,952 *	\$54,294 *	\$573,863,530	\$48,010	3.9%	12.9%
2019	11,953	133,952	54,294	573,863,530	48,010	4.3	4.9
2018	11,953	144,413	57,310	573,863,530	48,010	4.7	6.4
2017	11,953	135,289	55,717	573,863,530	48,010	5.0	6.8
2016	11,953	127,742	56,026	573,863,530	48,010	5.4	5.3
2015	11,953	125,927	54,620	573,863,530	48,010	5.8	4.0
2014	11,953	118,809	52,448	573,863,530	48,010	6.1	6.0
2013	11,953	112,354	50,612	573,863,530	48,010	6.5	7.2
2012	11,953	101,351	55,654	573,863,530	48,010	8.3	6.6
2011	11,953	114,266	53,899	573,863,530	48,010	8.2	7.1

Source:

- (1) Federal Census 2010
- (2) Ohio Department of Taxation
- (3) Per capita personal income multiplied by population
- (4) U.S. Census
- (5) Gross bonded debt divided by total personal income
- (6) Bureau of Labor Statistics

* Current data not available

Beachwood City School District

Principal Employers

December 31, 2019

The following are the principal income taxpayers in the City of Beachwood, ranked in order of payroll withholding.

<u>Employer</u>	<u>Ranking</u>
Cleveland Clinic Foundation	1
*Eaton Corporation	2
*University Hospitals	3
Menorah Park Center	4
Tremco Incorporated	5
BASF, Corporation	6
Site Centers	7
Beachwood City School District	8
City of Beachwood	9
Montefiore Home	10

December 31, 2010

<u>Employer</u>	<u>Ranking</u>
Bank of America	1
Cleveland Clinic Foundation	2
Menorah Park Center	3
Beachwood City School District	4
Developers Diversified	5
Montefiore Hone	6
City of Beachwood	7
Rosetta Marketing Group	8
Tremco Incorporated	9
Aleris Ohio Management	10

Due to legal restrictions and confidentiality requirements, the City cannot disclose the amount of the withholdings by taxpayer.

* These companies are located in the City's JEDD area. For purposes of this table, they based their ranking on 50% of their total withholding as the City maintains 50% of all income taxes received from companies in the JEDD.

Source: Regional Income Tax Agency and City of Beachwood

Beachwood City School District
Building Statistics by Fund/Program
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fairmount Elementary School										
Constructed in 1998										
Total Building Square Footage	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987
* Enrollment Grades PreK	80	84	89	84	75	75	75	79	74	67
Student Capacity	220	220	220	220	220	220	220	220	220	220
Regular Instruction Classrooms	8	8	8	8	8	8	8	8	8	8
Regular Instruction Teachers	4	4	4	4	3.6	3.21	3.21	2.88	2	2
Special Instruction Classrooms	2	2	2	2	2	2	2	2	2	3
Special Instruction Teachers	1	1	1	0.5	0.6	1	1	1	1	1
% of students who receive free/reduced lunch	0.0%	0.0%	0.0%	5.0%	0	0	0	0	0	0
* Includes special ed Pre k and preschool students										
** Lunch not served at Fairmount										
Bryden Elementary School										
Constructed in 1958										
Additions in 1991 and 2002										
Total Building Square Footage	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289
Enrollment Grades K -2	318	279	264	239	278	278	233	260	276	303
Student Capacity	510	510	510	510	510	510	510	510	510	510
Regular Instruction Classrooms	13	13	13	13	13	13	13	13	13	13
Regular Instruction Teachers	16.6	15.6	15.6	17.98	17.98	17.37	17.37	18.4	17.4	16.9
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	4	3	3	2.4	2.4	3	3	4	4.2	4.2
% of students who receive free/reduced lunch	8.01%	7.47%	3.43%	6.12%	7.79%	9.01%	9.01%	7.30%	13.76%	12.21%
Hilltop Elementary School										
Constructed in 1957										
Addition in 2002										
Total Building Square Footage	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200
Enrollment Grades 3-5	278	305	317	269	294	294	325	361	321	294
Student Capacity	731	731	731	731	731	731	731	731	731	731
Regular Instruction Classrooms	16	16	16	16	16	16	16	16	16	16
Regular Instruction Teachers	21.4	22.4	22.4	20.8	20.8	20.88	20.88	19.98	17.3	16.38
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	6	6	6	5	5	8	8	7	6.2	8.8
% of students who receive free/reduced lunch	8.25%	5.83%	7.77%	10.00%	9.89%	14.15%	14.15%	12.74%	11.21%	9.52%
Beachwood Middle School										
Constructed in 2003										
Total Building Square Footage	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Enrollment Grades 6 - 8	338	306	346	363	348	348	311	318	358	336
Student Capacity	560	560	560	560	560	560	560	560	560	560
Regular Instruction Classrooms	27	27	27	27	27	27	27	27	27	27
Regular Instruction Teachers	24.3	24.3	24.3	22.96	22.96	22.3	22.3	21.4	21.58	21.58
Special Instruction Classrooms	6	6	6	6	6	3	3	3	3	3
Special Instruction Teachers	6	7	7	6.07	6.07	5.2	5.2	5	5.8	7
% of students who receive free/reduced lunch	9.20%	8.41%	9.54%	9.16%	8.74%	10.28%	10.28%	12.26%	11.45%	14.88%
Beachwood High School										
Constructed in 1958										
Additions in 2002 and 2003, 2013										
Total Building Square Footage	256,113	256,113	256,113	256,113	256,113	256,113	256,113	208,509	208,509	208,509
Enrollment Grades 9 - 12	673	657	647	639	643	643	635	627	650	692
Student Capacity	1350	1350	1350	1350	1350	1350	1350	1180	1180	1180
Regular Instruction Classrooms	45	45	45	45	45	45	45	40	40	40
Regular Instruction Teachers	41	40.9	40.9	40.54	40.54	41.8	41.8	42.73	41.185	42.7
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	8	7	7	6.6	6.6	7	7	7	8	8
% of students who receive free/reduced lunch	9.97%	8.25%	5.96%	8.42%	10.99%	12.12%	12.12%	11.64%	10%	8.67%

Source: District Records

Beachwood City School District

**Per Pupil Cost
Last Ten Fiscal Years**

<u>Year</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2020	\$16,536	1.97%
2019	16,216	-3.26%
2018	16,763	-2.70%
2017	17,229	2.50%
2016	16,809	-2.93%
2015	17,316	2.55%
2014	16,885	4.58%
2013	16,146	-15.76%
2012	19,166	-2.44%
2011	19,645	0.71%

Source: School District Financial Records

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 4 year Graduation Rate</u>	<u>State Average</u>
2020	96.4%	**	100.0%	85.9%
2019	95.5	16.7	98.3	85.3
2018	95.6	16.0 *	97.9	84.1
2017	94.8	93.9	97.6	83.4
2016	95.7	94.1	96.6	83.5
2015	95.4	94.1	96.9	83.0
2014	96.3	94.2	95.9	81.3
2013	95.9	94.2	95.7	81.3
2012	96.3	93.0	92.6	90.0
2011	96.2	93.0	100.0	90.0

Source: Ohio Department of Education Local Report Cards

* State of Ohio changed statistic to chronically absent students

** Not published due to COVID 19

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Regular Instruction										
Preschool Classroom Teachers	4.60	5.00	4.00	4.00	3.60	3.21	3.21	2.88	2.42	2.00
Preschool Aides	4.27	4.40	3.20	3.20	3.80	4.14	4.14	4.60	3.61	3.36
Elementary Classroom Teachers	30.00	31.00	34.50	34.50	34.50	32.93	32.97	32.47	30.47	31.47
Instructional Assistants	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Art/Music/PE/Technology K-12	15.47	15.47	15.05	15.05	15.05	17.18	17.18	17.18	18.16	18.16
HS/MS Classroom Teachers	57.50	57.50	57.50	57.50	57.50	48.30	48.30	47.63	46.64	46.70
Special Instruction										
Preschool Special Ed.	1.00	1.00	0.50	0.50	0.60	1.00	1.00	1.00	1.00	1.00
ESL	2.40	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Language Delayed/Cognitive Disabilities	2.00	2.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	1.00	1.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00
Deaf/Hard of Hearing	1.50	2.00	3.00	3.00	3.00	3.75	4.00	4.00	4.50	5.00
Intervention Specialists	15.00	18.00	15.90	15.90	16.40	15.75	13.00	13.00	14.00	14.00
Special Ed Assistants	31.92	32.57	30.89	30.89	30.40	33.57	34.57	34.97	36.74	33.15
Gifted Education Teachers	2.40	3.00	3.00	3.00	2.07	2.27	2.27	4.00	4.00	4.00
Vocational Instruction										
High School Classroom Teachers	5.50	5.00	5.60	5.60	5.00	6.00	6.00	6.00	6.50	7.50
Pupil Support Services										
Guidance Counselors	6.67	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Librarians	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Psychologists	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Audiologist and Speech & Lang	3.00	2.50	3.30	3.30	4.60	4.60	4.60	4.60	4.60	4.60
Nurses	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Educational Interpreters	2.61	5.00	6.52	6.52	7.22	7.60	8.42	8.50	9.36	10.00
Occupational Therapist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tutors	7.00	8.00	8.00	8.00	4.75	4.75	4.01	3.41	4.53	2.58
Administrators/Supervisors										
Central Office	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	3.00	4.00
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MiddleSchool/High School	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Supervisors	5.00	5.00	6.00	6.00	6.00	4.50	4.00	3.00	5.00	4.00
Administrative Support										
Administrative/Office Assistants	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	16.00
Operation of Plant										
Cleaners	4.08	4.08	7.00	7.00	5.00	8.00	9.45	10.40	11.00	11.00
Custodians	15.00	4.00	13.00	13.00	13.00	10.00	10.00	9.00	9.89	9.00
Maintenance/Grounds	3.00	3.00	5.00	5.00	5.00	4.00	4.00	4.00	3.00	3.00
Pupil Transportation										
Bus Drivers	25.00	22.00	19.00	19.00	17.00	18.30	19.86	18.87	14.93	18.15
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Treasurer's Office Staff										
	5.00	5.00	5.00	5.00	4.60	5.00	5.00	5.00	4.60	4.60
Technology										
	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Totals	291.32	286.52	296.96	296.96	290.09	289.85	289.98	288.51	286.95	287.27

Source: District records

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

<u>Degree</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bachelor's Degree	16	16	21	22	24	14	20	24	27	24
Bachelor + 30	5	6	6	6	8	6	4	2	2	2
Master's Degree	78	84	94	87	92	97	90	86	90	91
Master + 30	26	25	19	20	18	19	26	25	21	20
Master + 60	<u>37</u>	<u>29</u>	<u>23</u>	<u>25</u>	<u>18</u>	<u>21</u>	<u>20</u>	<u>23</u>	<u>20</u>	<u>23</u>
Total	<u><u>162</u></u>	<u><u>160</u></u>	<u><u>163</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>157</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>

Source: School District Records

Beachwood City School District
Enrollment Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle School/ High School</u>	<u>Total</u>
2020	596	1,011	1,607
2019	581	967	1,548
2018	527	993	1,520
2017	508	1,002	1,510
2016	541	1,009	1,550
2015	572	991	1,563
2014	593	933	1,526
2013	638	946	1,584
2012	616	1,008	1,624
2011	621	1,028	1,649

Beachwood City School District
ACT Composite Scores
Last Ten School Years

<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>
2020	176	130	24.7	21.0	20.8*
2019	119	122	24.5	22.0	20.8
2018	123	125	24	20.3	20.8
2017	121	138	25.2	22.0	21.0
2016	106	125	24.8	22.0	20.8
2015	100	113	24.5	22.0	21.0
2014	115	132	26.0	22.0	21.0
2013	106	121	26.3	21.8	20.9
2012	122	138	25.3	21.8	21.1
2011	131	160	26.0	21.8	21

Beachwood City School District
School Report Card
Last Eight Years

<u>School Year (1)</u>	<u>Overall Grade (2)</u>	<u>Acheivement Grade (2)</u>	<u>Gap Closing Grade (2)</u>	<u>Overall Progress Grade (2)</u>	<u>Graduation Rate Grade (2)</u>	<u>Prepared for Success Grade (2)</u>
2020	*	*	*	*	*	*
2019	A	A	A	A	A	B
2018	N/A	B	A	A	A	B
2017	N/A	A	B	A	A	B
2016	N/A	A	B	B	A	B
2015	N/A	A	B	A	A	N/A
2014	N/A	A	A	A	A	N/A
2013	N/A	A	B	A	A	N/A

* Due to COVID 19, the Ohio Department of Education waived it's testing in FY 20 and therefore, there are no report c

N/A - Not Available

(1) 2013 latest information available

(2) 2016-2020 shows component grade

(2) 2013-2015 shows performance index

Source: Ohio Department of Education (ODE)

OHIO AUDITOR OF STATE KEITH FABER



BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/24/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov