

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

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2019**

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



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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, 2018 through June 30, 2019. 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.

Keith Faber
Auditor of State
Columbus, Ohio

December 30, 2019

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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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, 2019, 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 27, 2019.

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.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is written in a cursive, flowing style.

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

November 27, 2019

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2019**

The prior audit report, as of June 30, 2018, included no citations or instances of noncompliance. Management letter recommendations were corrected and procedures instituted to prevent occurrences in this audit period.

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2019



Prepared by Treasurer's Department

Michele E. Mills, Treasurer/CFO
Kathleen Stroski, Assistant Treasurer
April Yuhas, Payroll
Rita Miklacic, EMIS
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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, 2019
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INTRODUCTORY

SECTION

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**BEACHWOOD CITY SCHOOL
DISTRICT**

24601 Fairmount Boulevard
Beachwood, OH 44122
Phone: 216.464.2600

November 27, 2019

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, 2019, 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 1,549 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

Beachwood City Schools' 2019 State Report Card showed tremendous growth across multiple grade levels on multiple tested subjects. Our performance index places us among the top districts in the state of Ohio. The district and each of its schools earned overall grades of **"A" on our report cards**. We know the state report card is but one snapshot of our work, but we are proud of the hard work our students and staff put into succeeding on this highly-public measure.

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 2019 was 99%. 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.

In its sixth year, the Beachwood Medical Academy offers students monthly physician-led seminars on varied medical specialties, the opportunity to join physicians on “grand rounds,” and a summer camp experience where students dissect lungs and hearts, participate in triage simulations in the emergency room, and rotate through the hospital departments. In addition, students enroll in credit-bearing Anatomy & Physiology, Genetics and Bioethics summer courses taught by Case Western Reserve University faculty and staff. More than 80 students participate in the Medical Academy.

The Design & Innovation Program completed its seventh year and boasts 79 students enrolled in its course sequence. Beachwood seniors in this program take part in real-world engineering challenges posed by Cleveland State University’s industry partners under the guidance of a university advisor. In addition, students in the program’s 2nd and 3rd year courses earn 4 college engineering credits, transferable to any Ohio public university.

Many Cultures, One Bison

Beachwood High School’s student-led Many Cultures, One Bison initiative continued to make strides celebrating diversity within our unity. Approximately thirty high school students trained as student facilitators last year with the Diversity Center of NE Ohio. The group has led presentations and workshops for the rising 9th graders in the spring and again during freshmen orientation. Their ongoing efforts are making a positive impact on cross-cultural relationships among their peers.

AP Diversity Award

Beachwood’s growing computer science program was recently awarded the AP Computer Science Female Diversity Award by the College Board. Just 490 schools received this award for boasting 50% or greater female representation in AP Computer Science courses. The College Board notes that providing female students with access to computer science courses “contributes to gender parity... a driver of innovation, creativity, and competition.” We are proud to see this program growing under teachers John Kaminski and Craig Alexander, one of many ways Beachwood Schools is preparing our students for the future.

Shift to Simplified Chinese Instruction

In recognition of our district’s growing number of students of Chinese heritage, our Chinese language program (Grades 6 - 12) is shifting from traditional to simplified Mandarin Chinese instruction. Many Beachwood students, especially when they are younger, participate in after-school or weekend Chinese classes in order to retain their first language. Most of these programs instruct using simplified Chinese. Through collaboration with Chinese-American Beachwood parents and our teachers, simplified Chinese is being incorporated with each advancing grade level starting at Beachwood Middle School. In the years to come, these classes will offer a seamless transition for many of our students starting a language within our district. This approach mirrors closely our district’s approach to Hebrew instruction.

English Language Program

Beachwood’s growing population from overseas - every continent except Antarctica is represented in our school system - has led to an increase in the number of English Language teachers. The entire district was served by a single EL teacher just a few years ago. Now, we employ 2 ½ EL teachers (Bridget Keil, Melanie Musulin, and Dana Stapleton) to provide services to children learning English and to train our teachers in strategies to differentiate their instruction to meet the needs of those students new to the United States.

Bellefaire SAY Counselor Services Expanded

In addition to an informative fall presentation about student mental health hosted by Beachwood Director of Pupil Services Lauren Broderick and Christine Ruma-Cullen, Director of Bellefaire’s Social Advocates for Youth Program, the district expanded our Bellefaire JCB’s SAY Counselor services this year. Beachwood increased our social worker to full-time in order to serve the middle school in addition to the high school. SAY master's level social workers work as a team with school administrators and counselors to provide services such as mediation, intervention and support to students and families; group and individual counseling; and classroom presentations on prevention topics. In particular, SAY Counselors work in collaboration with the schools to:

- Help prevent and reduce the use of alcohol, prescription drugs and other drugs
- Reduce the incidence of social and behavioral health problems such as bullying, teen violence, depression and suicide

We welcomed Marlon Walker to this role this past year and look forward to his support in the years to come.

Social-Emotional Health

In January, Dr. Susan Rakow provided assistance to gifted and high-performing middle school students on the important topic of social-emotional health. Dr. Rakow followed her work with our students with a parent workshop to share her knowledge of the unique nature of gifted middle schoolers and how to recognize the stressors they face. She offered practical strategies for supporting our students across multiple aspects of their lives.

Mindfulness and the Adolescent Brain

In April, Beachwood High School hosted Dr. Miriam Mandel, who presented “Mindfulness and the Adolescent Brain” to our students. She highlighted research on brain development, mindfulness, and stress reduction. Dr. Mandel then returned to host a follow-up, parent session with the goal of sharing effective techniques for empowerment and mindfulness.

Student Stars Shine in Cabaret and Fiddler

Beachwood’s drama program returned with an entertaining Cabaret Night, a fall production of *Peter and the Starcatcher*, and in the spring, revived the classic, *Fiddler on the Roof*. A highlight of the multi-month rehearsal process was when Broadway choreographer Jack Scott, who was in the original Broadway cast of *Newsies*, flew in from New York to work with our actors.

Top-performances from Bison Musical Ensembles

Beachwood High School musicians fared very well at the 2019 Ohio Music Educators Association Solo & Ensemble Contest. Thirty-seven top scores were earned by members of the orchestra, four top scores by members of the band, and two top scores by members of the choir. In February, Beachwood alum Molly Goldman brought her colleagues from Broadway’s *Miss Saigon* to visit our high school orchestra for an exceptional workshop.

Remarkable Writers

Four Beachwood Middle School students qualified to compete in the PenOhio Regional Tournament. PenOhio is a state-wide organization dedicated to “helping teachers focus on inspiring, praising, and rewarding young writers.”

High School Reporter Contributes to “Since Parkland” Project

Perna Mukherjee contributed fourteen biographies to the nationwide “Since Parkland” project that documented the 1,200 children who have died from gun violence in the year since the Parkland, FL murders.

Marking our mark in STEM

Organized by Beachwood Design & Innovation teachers Bob Davis and Chris Croftcheck, Beachwood Middle School hosted the first annual Chagrin Valley Conference Middle School Robotics Symposium in partnership with Rockwell Automation last January. Ten Chagrin Valley Conference teams competed in a series of robotics challenges. Beachwood High School hosted their own competition with teams from high schools all around the area. The CVC STEM Wars took place in March.

BHS and BMS Science Olympiad Teams Qualify for States

Beachwood's high school and middle school Science Olympiad teams competed at the Ohio Science Olympiad State Tournament. Under the leadership of advisors Alise Stawicki and Rakhee Banerjee respectively, the teams finished 7th and 11th in Ohio.

Five DI Teams Compete at Globals

Our Destination Imagination program is proud to boast that five Beachwood teams competed at the DI Global competition in Kansas City in late May.

Athletics

Bison teams and individual athletes experienced tremendous success last year. Our fall sports boasted 11 athletes who earned Chagrin Valley Conference honors, eight athletes with All-District honors, and two athletes with All-Ohio honors. Our girls soccer team's fall season was one for the record books -- school record for wins (15), school record for goals (76), and Beachwood's first girls soccer Sectional Title!

During the winter, the Bison Indoor Girls Track Team finished as State Runner Up at the Division II/III OATCCC State Championships. Maddie Alexander finished as the State Runner Up in the High Jump, and Ashley Perryman (11th) was State Runner Up in the Long Jump. Congratulations to Maddie, Ashley, and teammates Ashaunti Griffin, Heidi Maier, Amelie Cotta, Tyler Murphy, Langston Gaines-Smith, Christian Mayfield, Jasir Holmes, Jack McPhillips, and Greg Perryman for their strong showings across the state meet.

Eisa Teixeira claimed the OAC Freshman Wrestling State Title, middle school wrestler Shane Fowler won the Chagrin Valley Conference Championship, and Andrew Steckner qualified for the OAC State Championships.

Senior Spencer Bystrom capped off his amazing diving career with a State Runner Up finish at the OHSAA Diving State Championships. He leaves Beachwood as a four-time State place winner in swimming and diving and a two-time District Champion. Diving teammate Amanda Leizman also qualified for the OHSAA State Diving Championships finishing in the top 16. The Bison 200 Freestyle Relay consisting of Spencer Bystrom, Gabe Colmenaires, Matt Keyerleber, and Grady Brystrom finished in 7th place at the OHSAA State Championships, while our 200 Medley Relay finished 12th in the State.

Senior Boys Basketball Player Jayson Woodrich earned NE Ohio Division III Player of the Year and was named 1st Team All Ohio. He ended his Bison career with 1,176 points.

Spring sports were equally successful with our powerhouse track & field team placing a herd of Bison into the state tournament and they made Beachwood proud (again)! Their middle school track athletes had a banner year as well. Bison middle schoolers qualified for the state championships in five events.

The Middle School Softball team finished with an undefeated 6-0 record. This marks one of the best MS softball seasons in our history. Not to be outdone, the middle school baseball team finished the season undefeated at 9-0. They beat teams one and two divisions larger than Beachwood -- Twinsburg, Shaker Heights, Orange (twice), University School, and Solon. The team amassed a 19-1 record across the past two seasons!

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 five year forecast passed in the May of 2017 had a deficit fund balance projected in fiscal year 2019. The School District chose to place a levy on the ballot to raise revenues. 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 will generate \$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 5.5% mainly due to new 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.

The community's tax base is fairly evenly distributed between commercial and residential property. 50% of the School District's valuation is comprised of residential property and 50% 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, Warrenville 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 Warrenville Heights City School District to compel payment of these revenues, which it has chosen not to do for several years.

Prospects for the Future

House Bill 920, which was enacted in 1976 by the Ohio legislature, has severely limited schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values. Although the School District's total operating millage is 85.2 mills, the effective millage levied and collected is 37.08 and 45.55 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, increases to private and community schools were also part of the budget bill. Payment for the private and community schools comes directly from the local school district. The 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.

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 2019 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, 2018. (This was the 31st 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

Mr. Brian WeissPresident

Ms. Maria Bennett Vice-President

Mr. Josh Mintz Member

Mrs. Jaime Elwell.....Member

Mrs. Megan Walsh Member

Mr. Steve RosenMember *

* Resigned as of January 6, 2019

Administration

Dr. Robert Hardis.....Superintendent

Ms. Michele E. Mills, MBATreasurer/CFO

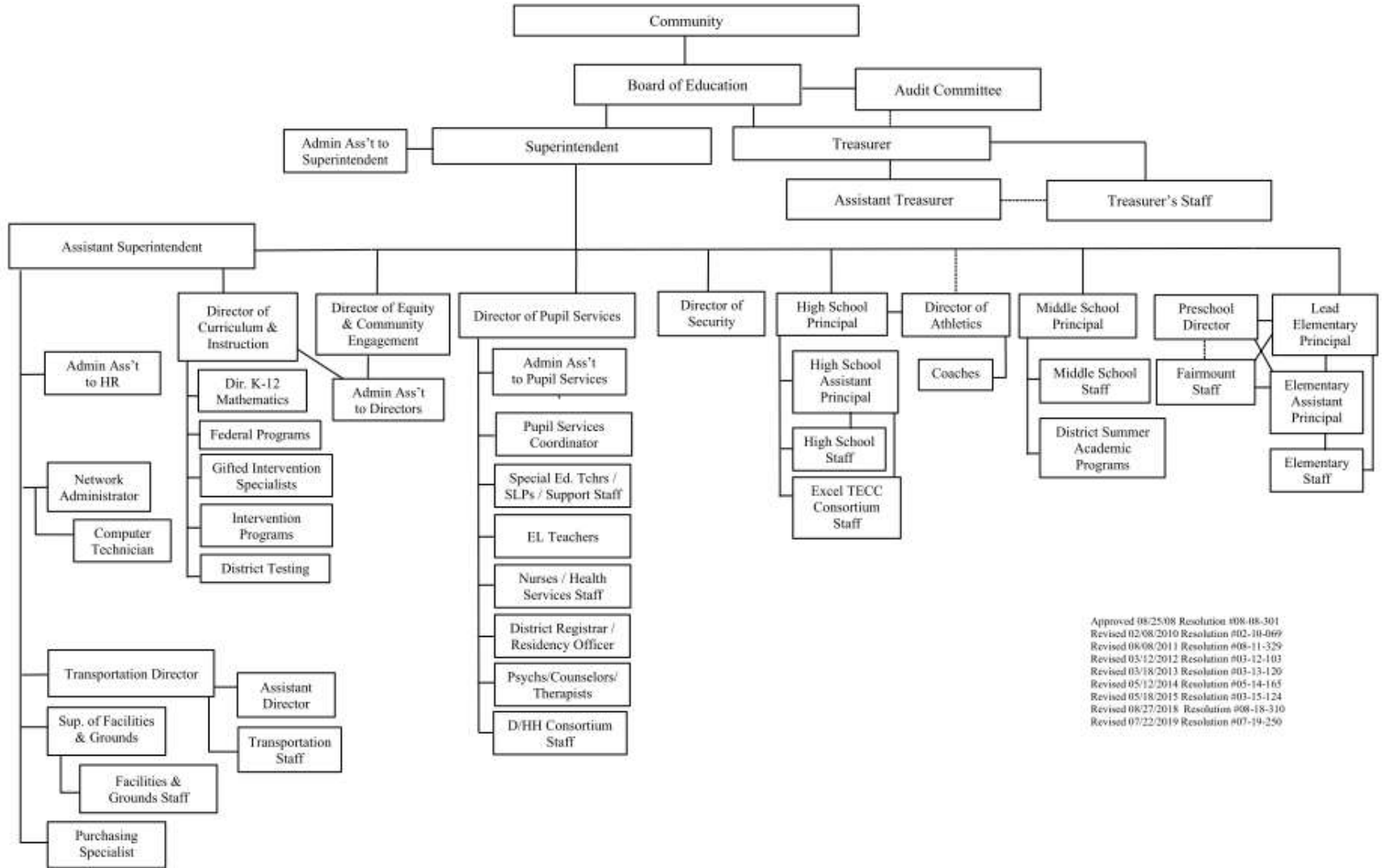
Dr. Ken Veon..... Assistant Superintendent

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

Mrs. Linda LoGalboDirector of Curriculum

Mrs. Kathleen StroskiAssistant Treasurer

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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Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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, 2019, 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, 2019, 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.

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 27, 2019, 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 27, 2019

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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, 2019. 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 2019 are as follows:

- In total, Net Position increased by \$8,626,970. The increase in net position is primarily 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.
- Total outstanding debt of \$29.2 million decreased by \$3.3 million due to annual debt payments.
- The general fund had a slightly higher and healthy fund balance of \$29 million of which \$27 million is unassigned and available to fund future day to day operations of the School District.
- Total expenses increased \$11,343,198 in fiscal year 2019. The expenses include adjustments due to the recording of net pension liability, net OPEB liability and net OPEB asset. See page 23 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, 2019
Unaudited

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 2019?" 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 24. 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, 2019
Unaudited

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 2019 compared to 2018:

Table 1 - Net Position

	Governmental Activities	
	2019	2018
ASSETS		
Current and Other Assets	\$ 67,735,103	\$ 62,792,185
Capital Assets, net	63,874,536	65,519,472
Net OPEB Asset	2,247,273	-
Total Assets	133,856,912	128,311,657
DEFERRED OUTFLOWS OF RESOURCES		
Pension	10,754,673	12,761,207
OPEB	657,487	522,629
Total Deferred Outflows of Resources	11,412,160	13,283,836
LIABILITIES		
Current and Other Liabilities	4,801,311	4,396,874
Long-term Liabilities:		
Due within one year	3,652,052	3,538,646
Due in more than one year:		
Net Pension Liability	41,622,213	43,755,685
Net OPEB Liability	5,309,556	10,467,759
Other Amounts	28,696,175	31,988,840
Total Liabilities	84,081,307	94,147,804
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	29,780,560	27,908,836
Pension	2,938,503	2,473,587
OPEB	3,934,741	1,158,275
Total Deferred Inflows of Resources	36,653,804	31,540,698
NET POSITION		
Net Investments in		
Capital Assets	34,625,038	32,937,533
Restricted	5,240,553	4,520,288
Unrestricted	(15,331,630)	(21,550,830)
Total Net Position	\$ 24,533,961	\$ 15,906,991

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2019, 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.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

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 \$3,673,579 while total governmental liabilities and deferred inflows of resources decreased by \$4,953,391 resulting in an increase in net position of \$8,626,970. The increase in governmental assets is due primarily to an increase in 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 2019. 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, 2019 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	\$	24,533,961
Add:		
Net Pension liability		41,622,213
Net OPEB Liability		5,309,556
Deferred Inflows - Pension		2,938,503
Deferred Inflows - OPEB		3,934,741
Less:		
Net OPEB Asset		(2,247,273)
Deferred Outflows - Pension		(10,754,673)
Deferred Outflows - OPEB		(657,487)
Total Net Position without GASB 68 and GASB 75	\$	64,679,541

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 2 shows the changes in net position for fiscal year 2019 with revenue and expense comparisons to fiscal year 2018:

	Governmental Activities	
	2019	2018
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,279,278	\$ 3,162,983
Operating Grants and Contributions	3,637,581	3,514,889
Total Program Revenues	6,916,859	6,677,872
General Revenues:		
Property Taxes	34,122,955	30,415,528
Grants and Entitlements	3,854,155	4,323,371
Investment Income	1,209,263	85,373
Gain on Sale of Capital Assets	16,240	9,308
All Other Revenues	448,228	2,004,050
Total General Revenues	39,650,841	36,837,630
Total Revenues	46,567,700	43,515,502
EXPENSES		
Program Expenses:		
Instruction		
Regular	12,093,709	6,981,461
Special	6,433,537	4,346,907
Vocational	1,152,951	774,033
Adult/Continuing	73,452	40,949
Other	213,074	48,096
Supporting Services:		
Pupil	2,303,142	1,255,338
Instructional Staff	1,751,926	1,108,353
Board of Education	488,359	511,650
Administration	2,031,944	1,298,941
Fiscal	1,101,920	811,820
Business	301,740	263,756
Operation and Maintenance of Plant	3,538,169	3,265,550
Pupil Transportation	1,582,876	1,015,455
Central	151,670	317,415
Operation of Non-Instructional Services	2,089,475	1,638,073
Extracurricular Activities	1,257,110	697,343
Interest and Fiscal Charges	1,375,676	2,222,392
Total Expenses	37,940,730	26,597,532
Change in Net Position	8,626,970	16,917,970
Net Position (Deficit)- Beginning of Year	15,906,991	(1,010,979)
Net Position - End of Year	\$ 24,533,961	\$ 15,906,991

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 73.3 percent of revenues for governmental activities for the School District in fiscal year 2019. 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, 2019 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 increased by \$3,707,427 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 2019, 2018 and 2017 were \$4,645,805, 2,565,536 and 3,241,822, respectively. On a cash basis, property tax collections had a slight increase at \$32,127,711 received in fiscal year 2019 and \$31,034,502 in fiscal year 2018. The cash collections increased due to the passage of a 5.9 mill operating levy in November 2018, which began collecting in January 2019.

Investment income increased \$1,123,890 in fiscal year 2019 due to fair market value accrual adjustments and all other revenues decreased by \$1,555,822 in fiscal year 2019 due to the School District receiving unbudgeted revenue in 2018 in the amount of \$1.6 million dollars as a result of the settlement of litigation regarding the valuation of real property.

Instruction comprises 53 percent of governmental program expenses. Interest expense was 3.6 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, 2019
Unaudited

Total expenses increased by \$11,343,198 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 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	132,331
Adjusted 2019 program expenses	<u>42,366,620</u>
Total 2018 program expenses under GASB 68 and 75	\$ 26,597,532
Negative NPL expense under GASB 68	13,380,815
2018 contractually required contribution - Pension	3,113,129
Negative OPEB expense under GASB 75	1,289,357
2018 contractually required contribution - OPEB	128,949
Adjusted 2018 program expenses	<u>44,509,782</u>
Decrease in program expenses	<u>\$ (2,143,162)</u>

See page 24 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 2018.

Table 3 - Governmental Activities

	Total Cost of Services 2019	Total Cost of Services 2018	Net Cost of Services 2019	Net Cost of Services 2018
Instruction	\$ 19,966,723	\$ 12,191,446	\$ 16,555,864	\$ 9,053,118
Supporting Services:				
Pupils and Instructional Staff	4,055,068	2,363,691	3,432,354	1,749,667
Board of Education, Administration, Fiscal Services, and Business	3,923,963	2,886,167	3,922,240	2,882,207
Operation and Maintenance of Plant	3,538,169	3,265,550	3,145,263	2,827,716
Pupil Transportation	1,582,876	1,015,455	1,263,785	596,206
Central	151,670	317,415	151,670	317,415
Operation of Non-Instructional Services	2,089,475	1,638,073	(29,908)	(369,981)
Extracurricular Activities	1,257,110	697,343	1,206,927	640,920
Interest and fiscal charges	1,375,676	2,222,392	1,375,676	2,222,392
Total cost of service	<u>\$ 37,940,730</u>	<u>\$ 26,597,532</u>	<u>\$ 31,023,871</u>	<u>\$ 19,919,660</u>

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
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 81 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 31. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$47,287,977 and expenditures and other financing uses of \$44,408,116.

The net fund balance increased in the general fund by \$2,326,439 due to the increase in property tax accrual due to the new levy.

The net fund balance increased in the bond retirement fund by \$637,253 due to higher revenue collections.

The net fund balance slightly increased in the permanent improvement fund by \$21,658 due to a decrease in expenditures.

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 2019, 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 \$1,996,844 greater than the original budget estimates, and actual revenue was \$1,110,554 greater than the final budget estimates of \$33,697,150 due to passing a property tax levy. The School District's ending un-obligated cash balance was \$3,090,193 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction, administration, operation and maintenance of plant and pupil transportation.

There were five amendments to the original appropriations during fiscal year 2019. The budget increased predominantly due to amendments to the auxiliary services fund.

Capital Assets

At the end of fiscal 2019, the School District had \$63,874,536 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, 2019
Unaudited

Table 4 shows fiscal 2019 balances compared to 2018:

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

	Governmental Activities	
	2019	2018
Land	\$ 978,708	\$ 978,708
Construction in progress	471,165	379,165
Land Improvements	1,719,645	1,768,071
Buildings and Building Improvements	58,900,949	60,669,772
Vehicles	792,130	735,001
Equipment	1,011,939	988,755
Total Net Capital Assets	\$ 63,874,536	\$ 65,519,472

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

For fiscal year 2019, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2019, this amounted to \$261,913 for the set aside. For fiscal year 2019, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2019, the School District had \$29,249,498 in bonds and notes outstanding, \$3,470,000 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, 2019, the School District's voted general obligation bonded debt of \$24,604,966 is below the legal limit of \$49,672,019 (voted). In addition, the School District had no un-voted debt at June 30, 2019. 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.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

Table 5 - Outstanding Debt at June 30,

	Governmental Activities	
	2019	2018
2010 Tax Anticipation Notes	\$ 685,000	\$ 1,235,000
2016 Certificates of Participation	3,820,000	4,195,000
2016 COPs Premium	139,532	156,973
2010 Qualified School Construct Bonds	9,905,000	11,140,000
2013 Refunding	3,550,000	4,705,000
2014 Refunding Tax Exempt Bonds	11,149,966	11,149,966
Total Outstanding Debt	\$ 29,249,498	\$ 32,581,939

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, 2019 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 is to review the condition of our two aging elementary buildings. The extensive review will include all stakeholder groups. The elementary buildings are 63 years old and in need of a major capital infusion. The Board of Education and administration will begin conducting community meetings in early calendar year 2019.

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 City of Beachwood created a community reinvestment area in the southern portion of the community which will provide up to 50% property tax abatement for homes and/or businesses to invest in their properties and to attract new businesses to the area. The impact of this agreement on the financial statements is not yet known but the School District anticipates sharing income taxes generated by new businesses with payrolls in excess of \$1 million dollars. State law requires Cities to share 50% of the income taxes collected above \$1 million dollars in payroll with its local school district.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
Unaudited

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, 2019

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 32,870,967
Cash and Cash Equivalents:	
In Segregated Accounts	134,873
Property Taxes Receivable	34,515,396
Accrued Interest Receivable	122,334
Accounts Receivable	21,615
Intergovernmental Receivable	20,125
Materials and Supplies Inventory	49,793
Net OPEB Asset	2,247,273
Nondepreciable Capital Assets	1,449,873
Depreciable Capital Assets, Net	62,424,663
Total Assets	133,856,912
DEFERRED OUTFLOWS OF RESOURCES	
Pension	10,754,673
OPEB	657,487
Total Deferred Outflows of Resources	11,412,160
LIABILITIES	
Accounts Payable	193,639
Accrued Wages and Benefits	3,566,770
Intergovernmental Payable	509,375
Matured Bonds Payable	86,363
Accrued Interest Payable	115,056
Matured Compensated Absences Payable	16,508
Claims Payable	313,600
Long-term Liabilities:	
Due within one year	3,652,052
Due in more than one year:	
Net Pension Liability	41,622,213
Net OPEB Liability	5,309,556
Other amounts due in more than one year	28,696,175
Total Liabilities	84,081,307
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	29,780,560
Pension	2,938,503
OPEB	3,934,741
Total Deferred Inflows of Resources	36,653,804
NET POSITION	
Net Investment in Capital Assets	34,625,038
Restricted:	
Debt Service	3,851,762
Set-Asides	134,873
State Funded Programs	58,803
Federally Funded Programs	16,209
Student Activities	91,216
Preschool	1,024,369
Other Purposes	63,321
Unrestricted	(15,331,630)
Total Net Position	\$ 24,533,961

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2019

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 12,093,709	\$ 190,482	\$ 725,712	\$ (11,177,515)
Special	6,433,537	612,871	1,243,018	(4,577,648)
Vocational	1,152,951	385,319	249,357	(518,275)
Adult/Continuing Instruction	73,452	4,100	-	(69,352)
Other	213,074	-	-	(213,074)
Supporting Services:				
Pupils	2,303,142	333,327	207,557	(1,762,258)
Instructional Staff	1,751,926	74,630	7,200	(1,670,096)
Board of Education	488,359	-	-	(488,359)
Administration	2,031,944	537	1,186	(2,030,221)
Fiscal Services	1,101,920	-	-	(1,101,920)
Business	301,740	-	-	(301,740)
Operation and Maintenance of Plant	3,538,169	387,081	5,825	(3,145,263)
Pupil Transportation	1,582,876	1,251	317,840	(1,263,785)
Central	151,670	-	-	(151,670)
Operation of Non-Instructional Services:				
Food Service Operations	619,348	421,644	75,040	(122,664)
Community Services	1,470,127	817,853	804,846	152,572
Extracurricular Activities	1,257,110	50,183	-	(1,206,927)
Interest and Fiscal Charges	1,375,676	-	-	(1,375,676)
Total Governmental activities	\$ 37,940,730	\$ 3,279,278	\$ 3,637,581	(31,023,871)

General Revenues:

Property Taxes levied for:	
General Purposes	29,749,986
Other Purposes	4,372,969
Grants & Entitlements not restricted to specific programs	3,854,155
Investment Income	1,209,263
Gain on Sale of Capital Assets	16,240
All Other Revenues	448,228
Total General Revenues	39,650,841
Change in Net Position	8,626,970
Net Position - Beginning of Year	15,906,991
Net Position - End of Year	\$ 24,533,961

See accompanying notes to the basic financial statements.

Beachwood City School District
Balance Sheet
Governmental Funds
June 30, 2019

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 23,178,924	\$ 3,493,348	\$ 496,650	\$ 3,747,226	\$ 30,916,148
Cash and Cash Equivalents:					
In Segregated Accounts	134,873	-	-	-	134,873
Materials and Supplies Inventory	42,900	-	-	6,893	49,793
Accrued Interest Receivable	122,334	-	-	-	122,334
Accounts Receivable	14,790	-	-	6,825	21,615
Due from Other Funds	3,215,000	-	-	-	3,215,000
Interfund Receivable	2,414,851	-	-	-	2,414,851
Intergovernmental Receivable	3,915	-	-	16,210	20,125
Property Taxes Receivable	30,186,137	3,660,591	668,668	-	34,515,396
Total Assets	<u>\$ 59,313,724</u>	<u>\$ 7,153,939</u>	<u>\$ 1,165,318</u>	<u>\$ 3,777,154</u>	<u>\$ 71,410,135</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 98,618	\$ -	\$ 77,000	\$ 18,021	\$ 193,639
Accrued Wages and Benefits	3,256,278	-	-	310,492	3,566,770
Intergovernmental Payable	432,592	-	-	76,783	509,375
Matured Compensated Absences Payable	16,508	-	-	-	16,508
Interfund Payable	-	-	-	2,414,851	2,414,851
Due to Other Funds	-	-	3,215,000	-	3,215,000
Matured Bonds Payable	-	86,363	-	-	86,363
Total Liabilities	<u>3,803,996</u>	<u>86,363</u>	<u>3,292,000</u>	<u>2,820,147</u>	<u>10,002,506</u>
Deferred Inflows of Resources:					
Property Taxes	26,113,398	3,100,758	566,404	-	29,780,560
Unavailable Revenues - Delinquent Property Taxes	76,575	8,676	3,780	-	89,031
Unavailable Revenues - Grants	-	-	-	16,210	16,210
Unavailable Revenues - Other	550	-	-	5,299	5,849
Total Deferred Inflows of Resources	<u>26,190,523</u>	<u>3,109,434</u>	<u>570,184</u>	<u>21,509</u>	<u>29,891,650</u>
Fund Balances:					
Nonspendable	48,680	-	-	6,893	55,573
Restricted	134,873	3,958,142	-	1,282,440	5,375,455
Committed	329,769	-	-	-	329,769
Assigned	1,833,318	-	-	-	1,833,318
Unassigned (Deficit)	26,972,565	-	(2,696,866)	(353,835)	23,921,864
Total Fund Balances (Deficit)	<u>29,319,205</u>	<u>3,958,142</u>	<u>(2,696,866)</u>	<u>935,498</u>	<u>31,515,979</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,313,724</u>	<u>\$ 7,153,939</u>	<u>\$ 1,165,318</u>	<u>\$ 3,777,154</u>	<u>\$ 71,410,135</u>

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, 2019

Total Governmental Fund Balances \$ 31,515,979

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. 63,874,536

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:

Delinquent property taxes	\$	89,031	
Grants		16,210	
Other		5,849	
Total		111,090	111,090

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		10,754,673	
Deferred Inflows - Pension		(2,938,503)	
Net Pension Liability		(41,622,213)	
Deferred Outflows - OPEB		657,487	
Deferred Inflows - OPEB		(3,934,741)	
Net OPEB Asset		2,247,273	
Net OPEB Liability		(5,309,556)	
Total			(40,145,580)

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. 1,641,219

Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds:

Long-Term Notes Payable		(4,644,532)	
General Obligation Bonds		(24,604,966)	
Accrued interest payable		(115,056)	
Compensated absences		(3,098,729)	
Total			(32,463,283)

Net Position of Governmental Activities \$ 24,533,961

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, 2019

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property and Other Local Taxes	\$ 29,820,696	\$ 4,215,027	\$ 172,257	\$ -	\$ 34,207,980
Intergovernmental	4,189,305	1,132,652	99,794	2,066,729	7,488,480
Interest	1,130,384	-	73,090	5,789	1,209,263
Tuition and Fees	852,526	-	-	1,858,087	2,710,613
Extracurricular Activities	-	-	-	72,826	72,826
Rentals	384,443	-	-	-	384,443
Customer Sales and Services	172,372	-	-	440,356	612,728
Contributions and Donations	7,422	-	-	20,126	27,548
All Other Revenues	372,540	-	1,050	9,189	382,779
Total Revenues	<u>36,929,688</u>	<u>5,347,679</u>	<u>346,191</u>	<u>4,473,102</u>	<u>47,096,660</u>
EXPENDITURES					
Current:					
Instruction:					
Regular	12,397,456	-	-	49,588	12,447,044
Special	6,505,412	-	-	838,819	7,344,231
Vocational	404,312	-	-	866,004	1,270,316
Adult/Continuing	-	-	-	83,511	83,511
Other	224,256	-	-	1,637	225,893
Supporting Services:					
Pupils	1,925,519	-	-	583,722	2,509,241
Instructional Staff	1,690,424	-	-	7,855	1,698,279
Board of Education	468,415	-	-	-	468,415
Administration	2,274,305	-	-	1,617	2,275,922
Fiscal Services	1,108,468	-	-	-	1,108,468
Business	321,904	-	-	-	321,904
Operation and Maintenance of Plant	3,642,712	-	-	7,944	3,650,656
Pupil Transportation	1,622,413	-	-	5,975	1,628,388
Central	194,649	-	-	-	194,649
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	524,300	524,300
Community Services	32,041	-	-	1,472,565	1,504,606
Extracurricular Activities	1,195,987	-	-	133,800	1,329,787
Capital Outlay	436,293	-	324,533	176,254	937,080
Debt Service:					
Principal Retirement	-	3,315,000	-	-	3,315,000
Interest and Fiscal Charges	-	1,395,426	-	-	1,395,426
Total Expenditures	<u>34,444,566</u>	<u>4,710,426</u>	<u>324,533</u>	<u>4,753,591</u>	<u>44,233,116</u>
Excess of Revenues Over (Under) Expenditures	<u>2,485,122</u>	<u>637,253</u>	<u>21,658</u>	<u>(280,489)</u>	<u>2,863,544</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	16,317	-	-	-	16,317
Transfers In	-	-	-	175,000	175,000
Transfers Out	(175,000)	-	-	-	(175,000)
Total Other Financing Sources (Uses)	<u>(158,683)</u>	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>16,317</u>
Net Change in Fund Balances	2,326,439	637,253	21,658	(105,489)	2,879,861
Fund Balances (Deficit) - Beginning of Year	26,992,766	3,320,889	(2,718,524)	1,040,987	28,636,118
Fund Balances (Deficit) - End of Year	<u>\$ 29,319,205</u>	<u>\$ 3,958,142</u>	<u>\$ (2,696,866)</u>	<u>\$ 935,498</u>	<u>\$ 31,515,979</u>

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, 2019

Net Change in Fund Balances-Total Governmental Funds \$ 2,879,861

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	\$ 937,080	
Depreciation	<u>(2,581,939)</u>	
Total		(1,644,859)

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. (77)

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

Delinquent property taxes	(85,025)	
Grants	(16,869)	
Other	<u>(121)</u>	
Total		(102,015)

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. 3,315,000

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

Pension		3,062,515
OPEB		132,331

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		(3,400,493)
OPEB		4,631,537

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	(153,182)	
Accrued interest	2,309	
Amortization of bond premiums	<u>17,441</u>	
Total		(133,432)

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. (113,398)

Change in Net Position of Governmental Activities \$ 8,626,970

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property and Other Local Taxes	\$ 26,350,341	\$ 27,995,185	\$ 27,995,183	\$ (2)
Intergovernmental	3,666,896	3,666,896	4,229,741	562,845
Interest	400,000	400,000	705,955	305,955
Tuition and Fees	286,463	286,463	402,682	116,219
Rent	10,000	362,000	384,443	22,443
Contributions and Donations	6,500	6,500	7,422	922
Customer Sales and Services	134,300	134,300	171,712	37,412
Miscellaneous	413,306	413,306	374,116	(39,190)
Total Revenues	31,267,806	33,264,650	34,271,254	1,006,604
EXPENDITURES:				
Current:				
Instruction:				
Regular	12,896,774	13,238,828	12,464,408	774,420
Special	6,540,474	6,688,786	6,538,935	149,851
Vocational	469,400	446,000	434,312	11,688
Student Intervention Services	3,008	3,008	-	3,008
Other	265,503	265,503	235,440	30,063
Support Services:				
Pupils	1,970,477	1,990,481	1,914,188	76,293
Instructional Staff	1,626,707	1,743,429	1,693,653	49,776
Board of Education	519,093	509,587	480,613	28,974
Administration	2,520,033	2,514,743	2,311,063	203,680
Fiscal	1,196,480	1,208,399	1,108,646	99,753
Business	341,151	377,730	340,017	37,713
Operation and Maintenance of Plant	4,127,960	3,972,602	3,784,739	187,863
Pupil Transportation	1,892,417	1,889,151	1,706,795	182,356
Central	280,032	252,122	192,144	59,978
Operation of Non-Instructional services:				
Community Services	39,000	39,113	32,393	6,720
Extracurricular Activities:				
Academic Oriented Activities	189,597	196,397	196,292	105
Sport Oriented Activities	894,316	887,516	880,559	6,957
School and Public Service Co-Curricular Activities	50,370	50,370	49,070	1,300
Total Expenditures	35,822,792	36,273,765	34,363,267	1,910,498
Excess of Revenues Over (Under) Expenditures	(4,554,986)	(3,009,115)	(92,013)	2,917,102
OTHER FINANCING SOURCES AND (USES):				
Transfers In	420,000	420,000	528,994	108,994
Proceeds from Sale of Capital Assets	10,000	10,000	7,456	(2,544)
Refund of Prior Year Expenditures	2,500	2,500	-	(2,500)
Transfers Out	(998,275)	(1,094,045)	(1,024,904)	69,141
Other Financing Uses	(31,640)	-	-	-
Total Other Financing Sources and (Uses)	(597,415)	(661,545)	(488,454)	173,091
Net Change in Fund Balances	(5,152,401)	(3,670,660)	(580,467)	3,090,193
Fund Balance at Beginning of Year	21,591,129	21,591,129	21,591,129	-
Prior Year Encumbrances Appropriated	225,756	225,756	225,756	-
Fund Balance at End of Year	\$ 16,664,484	\$ 18,146,225	\$ 21,236,418	\$ 3,090,193

See accompanying notes to the basic financial statements

Beachwood City School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 1,954,819
Total Assets	<u>1,954,819</u>
 LIABILITIES	
Current Liabilities:	
Claims Payable	<u>313,600</u>
Total Liabilities	<u>313,600</u>
 NET POSITION	
Unrestricted	<u>1,641,219</u>
Total Net Position	<u><u>\$ 1,641,219</u></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, 2019

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 3,639,973
Miscellaneous	483,833
Total Operating Revenues	<u>4,123,806</u>
OPERATING EXPENSES	
Claims	4,002,486
Other	234,718
Total Operating Expenses	<u>4,237,204</u>
Change in Net Position	(113,398)
Net Position - Beginning of Year	<u>1,754,617</u>
Net Position - End of Year	<u><u>\$ 1,641,219</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, 2019

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Self Insurance Premiums	\$ 4,123,806
Cash Payments for Claims	(4,200,304)
Net Cash Used in Operating Activities	<u>(76,498)</u>
 Net Decrease in Cash and Cash Equivalents	 (76,498)
 Cash and Cash Equivalents - Beginning of Year	 <u>2,031,317</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,954,819</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	\$ (113,398)
 Adjustments:	
Increase in Liabilities:	
Claims Payable	36,900
Net Cash Used in Operating Activities	<u>\$ (76,498)</u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2019

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,340,032
Total Assets	<u>\$ 1,340,032</u>
Liabilities	
Undistributed Monies	\$ 1,193,259
Due to Students	146,773
Total Liabilities	<u>\$ 1,340,032</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, 2019

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 167 certificated teaching personnel, 123 non-certificated support personnel and 12 administrators.

The School District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the School District during the 2019 fiscal year was 1,548. 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, 2019

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, 2019

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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2018, but which were levied to finance fiscal year 2019 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, 2019

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 2019, investments were limited to FNMA, Federal Farm Credit, FHLB, FHLMC, commercial paper, negotiable certificates of deposits, and STAR Ohio.

During fiscal year 2019, 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 2019, 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 2019 amounted to \$1,130,384.

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, 2019, 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, 2019

H. Materials and Supplies Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while inventories of enterprise funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and is determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when used (consumption method). Inventories in the General Fund and other 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, 2019

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, 2019

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
For the Fiscal Year Ended June 30, 2019

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 2019.

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. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The implementation of this Statement did not have an effect on the financial statements of the School District.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The School District implemented this statement.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 4 - Accountability

Fund balances at June 30, 2019, included the following fund deficit balances

<u>Major Fund</u>	Fund Balance Deficits
Permanent Improvement	\$ 2,696,866
<u>Nonmajor Funds</u>	
Food Service	19,006
Recreation	4,586
Consortium	323,350

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
For the Fiscal Year Ended June 30, 2019

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	\$ 2,326,439
Net Adjustment for Revenue Accruals	(1,838,301)
Net Adjustments for Expenditure Accruals	(498,880)
Funds with Separate Legally Adopted Budgets	(231,863)
Adjustment for Encumbrances	(337,862)
Budget Basis	\$ (580,467)

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	\$ 42,900	\$ -	\$ -	\$ 6,893	\$ 49,793
Unclaimed Funds	5,780	-	-	-	5,780
<i>Total Nonspendable</i>	48,680	-	-	6,893	55,573
<i>Restricted for</i>					
Budget Stabilization	134,873	-	-	-	134,873
Expandable Trust Funds	-	-	-	18,980	18,980
Marketing School Store	-	-	-	8,797	8,797
Pupil Support	-	-	-	29,327	29,327
Local Grants	-	-	-	6,217	6,217
Preschool	-	-	-	1,063,183	1,063,183
District Managed Student Activities	-	-	-	91,216	91,216
State Grants	-	-	-	64,720	64,720
Bond Retirement	-	3,958,142	-	-	3,958,142
<i>Total Restricted</i>	134,873	3,958,142	-	1,282,440	5,375,455
<i>Committed to</i>					
Instruction	144,686	-	-	-	144,686
Support Services	184,362	-	-	-	184,362
Operation of Non-Instructional Services	721	-	-	-	721
<i>Total Committed</i>	329,769	-	-	-	329,769
<i>Assigned to</i>					
FY 2020 Appropriations	1,833,318	-	-	-	1,833,318
<i>Total Assigned</i>	1,833,318	-	-	-	1,833,318
<i>Unassigned (Deficit)</i>					
	26,972,565	-	(2,696,866)	(353,835)	23,921,864
<i>Total Fund Balances</i>	\$ 29,319,205	\$ 3,958,142	\$ (2,696,866)	\$ 935,498	\$ 31,515,979

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019

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 \$492,710. Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2019, \$756,616 of the School District's bank balance of \$1,004,026 was covered by Federal Depository Insurance and \$161,159 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 \$86,251 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, 2019.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019. As previously discussed, Star Ohio is reported at its net asset value.

As of June 30, 2019, the School District had the following investments and maturities:

	<u>Fair Value/NAV</u>	<u>Maturity</u>	<u>Level Input</u>
Certificate of Deposit Amercian Express	152,960	08/21/19	2
Certificate of Deposit Amercian Express	246,630	04/30/20	2
Certificate of Deposit Bank of Baroda	246,570	04/19/21	2
Certificate of Deposit BMW NA	246,106	10/13/20	2
Certificate of Deposit Capital One	247,479	08/26/20	2
Certificate of Deposit Capital One	246,993	10/18/22	2
Certificate of Deposit CITI Bank	246,600	05/28/20	2
Certificate of Deposit Comenity Capital Bank	247,313	09/15/20	2
Certificate of Deposit Customers Bank	244,529	06/19/20	2
Certificate of Deposit Discover	245,963	11/30/21	2
Certificate of Deposit FirstBank	248,387	10/07/19	2
Certificate of Deposit Goldman Sachs	247,796	04/10/24	2
Certificate of Deposit INBANK	244,529	06/19/20	2
Certificate of Deposit Medallion Bank	248,888	09/18/19	2
Certificate of Deposit Merrick Bank	248,089	10/20/20	2
Certificate of Deposit NBT Bank	246,884	08/20/19	2
Certificate of Deposit Sallie Mae Bank	246,920	10/22/19	2
Certificate of Deposit Texas Exchange Bank	247,196	08/31/20	2
Commercial Paper NATIXIS	989,780	12/20/19	2
Commerical Paper Canadian Imperial Holding	244,659	07/19/19	2
Commerical Paper Credit Agricole CIB NY	1,793,250	08/27/19	2
Commerical Paper MUFG Bank	493,080	02/21/20	2
Federal Farm Credit	653,007	04/13/21	2
Federal Farm Credit	1,241,012	12/06/21	2
Federal Farm Credit	384,061	04/05/24	2
Federal Home Loan Bank	1,129,175	09/26/22	2
Federal Home Loan Bank	298,683	06/22/23	2

Continued

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

	<u>Fair Value/NAV</u>	<u>Maturity</u>	<u>Level Input</u>
Federal Home Loan Mortgage	250,000	09/29/21	2
Federal Home Loan Mortgage	249,605	08/28/19	2
Federal Home Loan Mortgage	749,303	10/18/19	2
Federal Home Loan Mortgage	348,492	05/26/20	2
Federal Home Loan Mortgage	497,625	09/08/20	2
Federal Home Loan Mortgage	1,119,184	10/19/20	2
Federal Home Loan Mortgage	497,250	11/23/20	2
Federal Home Loan Mortgage	1,500,060	08/27/21	2
Federal Home Loan Mortgage	1,000,510	09/22/22	2
Federal Home Loan Mortgage	238,169	09/29/22	2
Federal Home Loan Mortgage	653,131	10/26/22	2
Federal Home Loan Mortgage	1,059,495	03/27/24	2
Federal Home Loan Mortgage	377,479	04/01/24	2
Federal National Mortgage	499,860	07/11/19	2
Federal National Mortgage	497,612	07/26/19	2
Federal National Mortgage	497,965	07/28/20	2
Federal National Mortgage	1,118,586	10/28/20	2
Star Ohio	11,116,097		
	<u>\$ 33,846,962</u>		

Interest Rate Risk

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

Credit Risk

The Federal Home Loan Mortgage, Federal Home Loan Bank, and Federal National Mortgage Assoc. 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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 \$4,349,832 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 25.2%, Federal Home Loan Bank represents 4.2%, Federal National Mortgage 7.7%, Federal Farm Credits 6.7%, Commercial Paper 10.4%, negotiable certificates of deposit represent 13.0% and STAR Ohio representing 32.8% 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 2019 represents collections of calendar year 2018 taxes.

Real property taxes received in calendar year 2018 were levied after April 1, 2018, on the assessed value listed as of January 1, 2019, 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 2018 represents collections of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 become a lien December 31, 2017, were levied after April 1, 2018 and are collected in 2019 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, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019 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, 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 amount available as an advance at June 30, 2018 was \$2,170,651 for the General Fund, \$347,688 in the Bond Retirement Fund, and \$47,198 in the Permanent Improvement Fund.

The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second- Half Collections		2019 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 353,740,490	48.63%	\$ 390,244,410	49.95%
Industrial/Commercial	359,307,780	49.39%	379,119,340	48.52%
Public Utility	14,404,130	1.98%	11,956,730	1.53%
Total Assessed Value	\$ 727,452,400	100.00%	\$ 781,320,480	100.00%
Tax rate per \$1,000 of Assessed valuation	\$ 86.20		\$ 92.10	

Note 9 - Receivables

Receivables at June 30, 2019, 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.

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
<u>Governmental Activities</u>				
Capital Assets, not being depreciated:				
Land	\$ 978,708	\$ -	\$ -	\$ 978,708
Construction in Progress	379,165	92,000	-	471,165
Total Capital Assets, not being depreciated	<u>1,357,873</u>	<u>92,000</u>	<u>-</u>	<u>1,449,873</u>
Capital Assets, being depreciated:				
Land Improvements	3,946,736	102,204	-	4,048,940
Buildings and Buildings Improvements	88,578,135	109,667	-	88,687,802
Vehicles	2,140,152	186,771	(77,743)	2,249,180
Equipment	8,455,804	446,438	(156,942)	8,745,300
Total Capital Assets, being depreciated	<u>103,120,827</u>	<u>845,080</u>	<u>(234,685)</u>	<u>103,731,222</u>
Less Accumulated Depreciation:				
Land Improvements	(2,178,665)	(150,630)	-	(2,329,295)
Buildings and Buildings Improvements	(27,908,363)	(1,878,490)	-	(29,786,853)
Vehicles	(1,405,151)	(129,642)	77,743	(1,457,050)
Equipment	(7,467,049)	(423,177)	156,865	(7,733,361)
Total Accumulated Depreciation	<u>(38,959,228)</u>	<u>(2,581,939)</u>	<u>234,608</u>	<u>(41,306,559)</u>
Total Capital Assets being depreciated, Net	<u>64,161,599</u>	<u>(1,736,859)</u>	<u>(77)</u>	<u>62,424,663</u>
Governmental Activities Capital Assets, Net	<u>\$ 65,519,472</u>	<u>\$ (1,644,859)</u>	<u>\$ (77)</u>	<u>\$ 63,874,536</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,405,583
Special	59,596
Vocational	36,267
Recreation	1,345
Support Services:	
Pupil	182,478
Instructional Staff	238,215
Board of Education	22,651
Administration	61,772
Fiscal	4,431
Business	12,937
Operation and Maintenance of Plant	145,513
Pupil Transportation	155,623
Central	8,632
Operation of Non-Instructional Services:	
Food Services	88,718
Community Services	47,581
Extracurricular Activities	110,597
Total Depreciation Expense	<u>\$ 2,581,939</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 11 – Inter-fund Transactions

As of June 30, 2019, on the fund financial statements, the Consortium fund, which is a Nonmajor governmental fund, owed the General Fund \$2,414,851. 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, 2019, the General Fund transferred \$175,000 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 2019, the School District contracted with Liberty Mutual for property, general liability insurance and boiler and machinery coverage in the amounts of \$98,453,305, \$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 Liberty Mutual with a \$10,000,000 single occurrence limit on both policies and no deductibles unless a claim doesn't fall under an underlying policy which would create the need for a \$10,000 self-insured retainer. Vehicles are also covered by Liberty Mutual and have a \$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, 2019

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 2019, total claims expense of \$4,002,486 was recognized, which represents actual claims processed and paid as of June 30, 2019. 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>
2018	\$ 392,400	\$ 3,618,863	\$ 4,011,263	\$ 276,700
2019	\$ 276,700	\$ 4,002,486	\$ 4,279,186	\$ 313,600

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, 2019

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.

One year after an effective benefit date, a benefit recipient is entitled to a 2.5 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$809,249 for fiscal year 2019. Of this amount \$48,179 is reported as an intergovernmental payable.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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. Effective July 1, 2017 the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

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, 2019, 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 2019 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,253,266 for fiscal year 2019. Of this amount \$358,838 is reported as an intergovernmental payable.

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, 2018, 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	0.18921190%	0.13660450%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.18983160%</u>	<u>0.13985150%</u>	
Change in Proportionate Share	<u>0.0006197%</u>	<u>0.0032470%</u>	
Proportionate Share of the Net Pension Liability	\$ 10,872,008	\$ 30,750,205	\$ 41,622,213
Pension Expense	\$ 644,906	\$ 2,755,587	\$ 3,400,493

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At June 30, 2019, 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	\$ 596,258	\$ 709,811	\$ 1,306,069
Changes of assumptions	245,513	5,449,517	5,695,030
Changes in proportion and differences between School District contributions and proportionate share of contributions	129,086	561,973	691,059
School District contributions subsequent to the measurement date	<u>809,249</u>	<u>2,253,266</u>	<u>3,062,515</u>
Total Deferred Outflows of Resources	<u>\$ 1,780,106</u>	<u>\$ 8,974,567</u>	<u>\$ 10,754,673</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 200,818	\$ 200,818
Net difference between projected and actual earnings on pension plan investments	301,231	1,864,655	2,165,886
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>74,002</u>	<u>497,797</u>	<u>571,799</u>
Total Deferred Inflows of Resources	<u>\$ 375,233</u>	<u>\$ 2,563,270</u>	<u>\$ 2,938,503</u>

\$3,062,515 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, 2020. 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:			
2020	\$799,155	\$2,498,394	\$3,297,549
2021	245,644	1,610,092	1,855,736
2022	(356,790)	316,842	(39,948)
2023	<u>(92,385)</u>	<u>(267,297)</u>	<u>(359,682)</u>
Total	<u>\$595,624</u>	<u>\$4,158,031</u>	<u>\$4,753,655</u>

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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, 2018, 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	<u>100.00 %</u>	

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	\$15,314,042	\$10,872,008	\$7,147,658

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation is presented below:

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

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 %	

* 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, 2018. 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, 2018. 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, 2018.

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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$44,906,626	\$30,750,205	\$18,768,715

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 2019, .5 percent of covered payroll was made to health care. An additional 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 2019, this amount was \$21,600. 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. For fiscal year 2019, the School District's surcharge obligation was \$102,359.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$132,331 for fiscal year 2019. Of this amount \$102,359 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, 2019, 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, 2018, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.19144780%	0.13660450%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	<u>0.19138570%</u>	<u>0.13985150%</u>	
Change in Proportionate Share	<u>-0.00006210%</u>	<u>0.00324700%</u>	
Proportionate Share of the Net			
OPEB Liability/(Asset)	\$5,309,556	(\$2,247,273)	\$3,062,283
OPEB Expense	\$222,822	(\$4,854,359)	(\$4,631,537)

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 86,671	\$ 262,485	\$ 349,156
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	57,146	118,854	176,000
School District contributions subsequent to the measurement date	<u>132,331</u>	<u>-</u>	<u>132,331</u>
Total Deferred Outflows of Resources	<u>\$ 276,148</u>	<u>\$ 381,339</u>	<u>\$ 657,487</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 130,934	\$ 130,934
Changes of assumptions	477,023	3,062,086	3,539,109
Net difference between projected and actual earnings on OPEB plan investments	<u>7,967</u>	<u>256,731</u>	<u>264,698</u>
Total Deferred Inflows of Resources	<u>\$ 484,990</u>	<u>\$ 3,449,751</u>	<u>\$ 3,934,741</u>

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\$132,331 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2020	(\$163,474)	(\$550,728)	(\$714,202)
2021	(128,241)	(550,728)	(678,969)
2022	(16,672)	(550,727)	(567,399)
2023	(13,283)	(492,420)	(505,703)
2024	(13,833)	(471,974)	(485,807)
Thereafter	(5,670)	(451,835)	(457,505)
Total	(\$341,173)	(\$3,068,412)	(\$3,409,585)

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, 2018, 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	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 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, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 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 3.62 percent, as of June 30, 2018 (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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School District's proportionate share of the net OPEB liability	\$6,442,729	\$5,309,556	\$4,412,296
	1% Decrease (6.25 % decreasing to 3.75%)	Current Trend Rate (7.25 % decreasing to 4.75%)	1% Increase (8.25 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$4,283,838	\$5,309,556	\$6,667,792

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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, 2018, 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	6.00 percent	4.00 percent
Medicare	5.00 percent	4.00 percent
Prescription Drug		
Pre-Medicare	8.00 percent	
Medicare	-5.23 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, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

Benefit Term Changes Since the Prior Measurement Date The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% 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.

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 %	

* 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, 2018. 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, 2018.

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, 2018, 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	\$1,926,122	\$2,247,273	\$2,517,182
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$2,501,945	\$2,247,273	\$1,988,630

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

Note 16 – Long-Term Obligations

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

	Principal Outstanding 6/30/2018	Additions	Reduction	Principal Outstanding 6/30/2019	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$ 1,235,000	\$ -	\$ 550,000	\$ 685,000	\$ 685,000
2016 COPS 2.47% - Direct Borrowings	4,195,000	-	375,000	3,820,000	380,000
2016 COPS Premium-	156,973	-	17,441	139,532	-
Total Long-Term Notes Payable	<u>5,586,973</u>	<u>-</u>	<u>942,441</u>	<u>4,644,532</u>	<u>1,065,000</u>
General Obligation Bonds					
2010 QSCB Bonds 5.125%	11,140,000	-	1,235,000	9,905,000	1,235,000
2013 Refunding .45-3.05%	4,705,000	-	1,155,000	3,550,000	1,170,000
2014 Refunding Tax Exempt 3-3.25%	11,149,966	-	-	11,149,966	-
Total General Obligation Bonds	<u>26,994,966</u>	<u>-</u>	<u>2,390,000</u>	<u>24,604,966</u>	<u>2,405,000</u>
Net Pension Liability:					
STRS	32,450,692	-	1,700,487	30,750,205	-
SERS	11,304,993	-	432,985	10,872,008	-
Total Net Pension Liability	<u>43,755,685</u>	<u>-</u>	<u>2,133,472</u>	<u>41,622,213</u>	<u>-</u>
Net OPEB Liability:					
STRS	5,329,803	-	5,329,803	-	-
SERS	5,137,956	171,600	-	5,309,556	-
Total Net OPEB Liability	<u>10,467,759</u>	<u>171,600</u>	<u>5,329,803</u>	<u>5,309,556</u>	<u>-</u>
Compensated Absences Payable	2,945,547	376,828	223,646	3,098,729	182,052
Long-Term Liabilities	<u>2,945,547</u>	<u>376,828</u>	<u>223,646</u>	<u>3,098,729</u>	<u>182,052</u>
Total Long-Term Liabilities	<u>\$ 89,750,930</u>	<u>\$ 548,428</u>	<u>\$ 11,019,362</u>	<u>\$ 79,279,996</u>	<u>\$ 3,652,052</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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

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

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

Compensated absences will be paid from the funds from which the employee's salaries are paid. Compensated absences are generally liquidated by the general fund. 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 \$49,672,019 with an un-voted debt margin of \$781,320 at June 30, 2019.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2019, were as follows:

Fiscal Year Ending	Long-Term Notes Payable/COPs		General Obligation Bonds		Total	
	Principal	Interest *	Principal	Interest *	Principal	Interest
2020	\$ 1,065,000	\$ 237,288	\$ 2,405,000	\$ 992,818	\$ 3,470,000	\$ 1,230,106
2021	390,000	95,400	2,410,000	964,965	2,800,000	1,060,365
2022	400,000	85,500	2,440,000	931,314	2,840,000	1,016,814
2023	410,000	73,350	1,989,966	1,293,071	2,399,966	1,366,421
2024	420,000	60,900	2,400,000	875,738	2,820,000	936,638
2025-2029	1,820,000	111,150	10,055,000	2,385,425	11,875,000	2,496,575
2030-2034	-	-	2,880,000	103,731	2,880,000	103,731
2035	-	-	25,000	438	25,000	438
Total	<u>\$ 4,505,000</u>	<u>\$ 663,588</u>	<u>\$ 24,604,966</u>	<u>\$ 7,547,500</u>	<u>\$ 29,109,966</u>	<u>\$ 8,211,088</u>

* \$1,063,520 direct payments from federal government, less 6.2% due to sequestration.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

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, 2018	\$ -	\$ 134,873
Current Year Set-Aside Requirements	261,913	-
Qualifying Disbursements	(247,533)	-
Qualifying Offsets	(220,764)	-
Total	(206,384)	134,873
Set-Aside Balance Carried Forward to Future Fiscal Years	(427,148)	-
Set-Aside Balance as of June 30, 2019	\$ (427,148)	\$ 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 two hundred forty-nine 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 2019, the School District paid \$75,080 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 over 155 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.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2019

In May 2014, The Ohio Schools Council negotiated and approved a contract for discounted electric generation with First Energy Solutions through Power4Schools(P4S) for schools in the FirstEnergy territory—Ohio Edison, Cleveland Electric Illuminating and Toledo Edison. The price was \$.602 per kWh for all district facilities and was guaranteed through May 31, 2017 and \$.518 per kWh through December 2019. 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 22 members. The School District paid \$79,417 to LGCA during fiscal year 2019.

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, 2019.

B. Litigation

The School District has been named as a defendant in one case through the period ended June 30, 2019. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further believes that the School District has adequate insurance coverage to protect itself against any material loss.

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 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 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, 2019

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, 2019, the School District's commitments for encumbrances in the governmental funds were as follows:

	<u>Outstanding Encumbrances</u>
General Fund	\$ 329,769
Permanent Improvement Fund	111,439
Nonmajor governmental funds	79,445
	<u>\$ 520,653</u>

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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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.1898316%	0.1892119%	0.1850622%	0.1850622%	0.189335%	0.203489%
School District's Proportionate Share of the Net Pension Liability	\$10,872,008	\$11,304,993	\$13,544,846	\$10,803,609	\$10,298,462	\$12,100,838
School District's Covered Payroll	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	176.06%	185.52%	242.04%	182.88%	192.23%	229.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' 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

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 Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.13985150%	0.13660450%	0.13652209%	0.14090955%	0.14048700%	0.14048700%
School District's Proportionate Share of the Net Pension Liability	\$ 30,750,205	\$ 32,450,692	\$ 45,698,059	\$ 38,943,279	\$ 34,171,300	\$ 40,704,629
School District's Covered Payroll	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	188.86%	214.93%	314.98%	254.60%	218.83%	263.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.31%	75.29%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional years' 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

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>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>	<u>2010</u>
Contractually Required Contribution	\$ 809,249	\$ 833,671	\$ 853,115	\$ 783,465	\$ 778,586	\$ 742,520	\$ 728,417	\$ 765,115	\$ 811,377	\$ 655,527
Contributions in Relation to the Contractually Required Contribution	<u>(809,249)</u>	<u>(833,671)</u>	<u>(853,115)</u>	<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>(655,527)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District Covered Payroll	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869	\$ 4,841,411
Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

See accompanying notes to the required supplementary information

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

	<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>	<u>2010</u>
Contractually Required Contribution	\$ 2,253,266	\$ 2,279,458	\$ 2,113,721	\$ 2,031,181	\$ 2,141,448	\$ 2,030,014	\$ 2,011,088	\$ 1,900,949	\$ 1,883,505	\$ 1,834,757
Contributions in Relation to the Contractually Required Contribution	<u>(2,253,266)</u>	<u>(2,279,458)</u>	<u>(2,113,721)</u>	<u>(2,031,181)</u>	<u>(2,141,448)</u>	<u>(2,030,014)</u>	<u>(2,011,088)</u>	<u>(1,900,949)</u>	<u>(1,883,505)</u>	<u>(1,834,757)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500	\$ 14,113,515
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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
School Employees Retirement System (SERS) of Ohio
Last Three Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.1913857%	0.1914478%	0.1875175%
School District's Proportionate Share of the Net OPEB Liability	\$ 5,309,556	\$ 5,137,956	\$ 5,344,942
School District's Covered Payroll	\$ 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	85.98%	84.32%	95.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 years' 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

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 Three Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability/Asset	0.13985150%	0.13660450%	0.13652209%
School District's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (2,247,273)	\$ 5,329,803	\$ 7,301,237
School District's Covered Payroll	\$ 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	-13.80%	35.30%	50.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	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 years' 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

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>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>	<u>2010</u>
Contractually Required Contribution (1)	\$ 132,331	\$ 128,949	\$ 124,468	\$ 94,787	\$ 144,134	\$ 108,325	\$ 98,837	\$ 125,157	\$ 189,389	\$ 133,788
Contributions in Relation to the Contractually Required Contribution	<u>(132,331)</u>	<u>(128,949)</u>	<u>(124,468)</u>	<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>(133,788)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District Covered Payroll	\$ 5,994,437	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179	\$ 5,907,359	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869	\$ 4,841,411
OPEB Contributions as a Percentage of Covered Payroll (1)	2.21%	2.09%	2.04%	1.69%	2.44%	2.02%	1.88%	2.20%	2.93%	2.76%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,155	\$ 154,699	\$ 146,227	\$ 144,885	\$ 144,885
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	(156,155)	(154,699)	(146,227)	(144,885)	(144,885)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District Covered Payroll	\$ 16,094,757	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 114,488,500	\$ 14,113,515
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

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.

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 2018-2019. 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 2014-2019.

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. 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.

Net OPEB Liability

Changes in Assumptions – SERS

Amounts reported for fiscal year 2018 and 2019 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented on the next page:

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2019

Municipal Bond Index Rate:	
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 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent
Medicare Trend Assumption	
Medicare	
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 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 and in 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 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.

Changes in Benefit Terms – STRS

Also, 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, and 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.

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 2019.

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.

(continued)

Nonmajor Special Revenue Funds (continued)

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

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.

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Beachwood City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 3,747,226	\$ 3,747,226
Materials and Supplies Inventory	6,893	6,893
Accounts Receivable	6,825	6,825
Intergovernmental Receivable	16,210	16,210
Total Assets	\$ 3,777,154	\$ 3,777,154
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 18,021	\$ 18,021
Accrued Wages and Benefits	310,492	310,492
Intergovernmental Payable	76,783	76,783
Interfund Payable	2,414,851	2,414,851
Total Liabilities	2,820,147	2,820,147
 Deferred Inflows of Resources:		
Unavailable Revenues - Grants	16,210	16,210
Unavailable Revenues - Other	5,299	5,299
Total Deferred Inflows of Resources	21,509	21,509
 Fund Balances:		
Nonspendable	6,893	6,893
Restricted	1,282,440	1,282,440
Unassigned (Deficit)	(353,835)	(353,835)
Total Fund Balances	935,498	935,498
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,777,154	\$ 3,777,154

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Intergovernmental	\$ 2,066,729	\$ 2,066,729
Interest	5,789	5,789
Tuition and Fees	1,858,087	1,858,087
Extracurricular Activities	72,826	72,826
Customer Sales and Services	440,356	440,356
Contributions and Donations	20,126	20,126
All Other Revenues	9,189	9,189
Total Revenues	4,473,102	4,473,102
EXPENDITURES		
Current:		
Instruction:		
Regular	49,588	49,588
Special	838,819	838,819
Vocational Instruction	866,004	866,004
Adult/Continuing Instruction	83,511	83,511
Other	1,637	1,637
Supporting Services:		
Pupils	583,722	583,722
Instructional Staff	7,855	7,855
Administration	1,617	1,617
Operation and Maintenance of Plant	7,944	7,944
Pupil Transportation	5,975	5,975
Operation of Non-Instructional Services:		
Food Service Operations	524,300	524,300
Community Services	1,472,565	1,472,565
Extracurricular Activities	133,800	133,800
Capital Outlay	176,254	176,254
Total Expenditures	4,753,591	4,753,591
Excess of Revenues Over (Under) Expenditures	(280,489)	(280,489)
OTHER FINANCING SOURCES		
Transfers In	175,000	175,000
Total Other Financing Sources	175,000	175,000
Net Change in Fund Balances	(105,489)	(105,489)
Fund Balances - Beginning of Year	1,040,987	1,040,987
Fund Balances - End of Year	\$ 935,498	\$ 935,498

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	<u>Food Service</u>	<u>Special Trust</u>	<u>Marketing School Store</u>	<u>Recreation</u>
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 1,771	\$ 18,980	\$ 8,797	\$ 5,681
Materials and Supplies Inventory	6,893	-	-	-
Accounts Receivable	1,272	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	<u>\$ 9,936</u>	<u>\$ 18,980</u>	<u>\$ 8,797</u>	<u>\$ 5,681</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 15,719	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	860
Intergovernmental Payable	13,223	-	-	9,407
Interfund Payable	-	-	-	-
Total Liabilities	<u>28,942</u>	<u>-</u>	<u>-</u>	<u>10,267</u>
Deferred Inflows of Resources:				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Other	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable	6,893	-	-	-
Restricted	-	18,980	8,797	-
Unassigned (Deficit)	(25,899)	-	-	(4,586)
Total Fund Balances (Deficit)	<u>(19,006)</u>	<u>18,980</u>	<u>8,797</u>	<u>(4,586)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,936</u>	<u>\$ 18,980</u>	<u>\$ 8,797</u>	<u>\$ 5,681</u>

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

<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>
\$ 2,363,044	\$ 29,327	\$ 6,217	\$ 1,151,260	\$ 91,548	\$ 67,001
-	-	-	-	-	-
254	-	-	5,299	-	-
-	-	-	-	-	-
<u>\$ 2,363,298</u>	<u>\$ 29,327</u>	<u>\$ 6,217</u>	<u>\$ 1,156,559</u>	<u>\$ 91,548</u>	<u>\$ 67,001</u>
\$ 1,506	\$ -	\$ -	\$ 203	\$ 332	\$ 261
241,770	-	-	62,918	-	4,944
28,521	-	-	24,956	-	676
2,414,851	-	-	-	-	-
<u>2,686,648</u>	<u>-</u>	<u>-</u>	<u>88,077</u>	<u>332</u>	<u>5,881</u>
-	-	-	-	-	-
-	-	-	5,299	-	-
-	-	-	5,299	-	-
-	-	-	-	-	-
-	29,327	6,217	1,063,183	91,216	61,120
(323,350)	-	-	-	-	-
<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>\$ 2,363,298</u>	<u>\$ 29,327</u>	<u>\$ 6,217</u>	<u>\$ 1,156,559</u>	<u>\$ 91,548</u>	<u>\$ 67,001</u>

(Continued)

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

	<u>One Net</u>	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>Title III - Limited English Proficiency</u>	<u>Title I</u>
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 3,600	\$ -	\$ -	\$ -	\$ -
Materials and Supplies Inventory	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Intergovernmental Receivable	-	-	6,136	-	10,074
Total Assets	<u>\$ 3,600</u>	<u>\$ -</u>	<u>\$ 6,136</u>	<u>\$ -</u>	<u>\$ 10,074</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-	-
Intergovernmental Payable	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable Revenues - Grants	-	-	6,136	-	10,074
Unavailable Revenues - Other	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>6,136</u>	<u>-</u>	<u>10,074</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	3,600	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficit)	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,600</u>	<u>\$ -</u>	<u>\$ 6,136</u>	<u>\$ -</u>	<u>\$ 10,074</u>

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2019

Preschool Handicapped Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 3,747,226
-	-	-	6,893
-	-	-	6,825
-	-	-	16,210
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,777,154</u>
\$ -	\$ -	\$ -	\$ 18,021
-	-	-	310,492
-	-	-	76,783
-	-	-	2,414,851
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,820,147</u>
-	-	-	16,210
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,299</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>21,509</u>
-	-	-	6,893
-	-	-	1,282,440
-	-	-	(353,835)
<u>-</u>	<u>-</u>	<u>-</u>	<u>935,498</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,777,154</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, 2019

	<u>Food Service</u>	<u>Special Trust</u>	<u>Marketing School Store</u>	<u>Recreation</u>
REVENUES				
Intergovernmental	\$ 75,040	\$ -	\$ -	\$ -
Interest	1,340	80	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	22,643	-
Customer Sales and Services	415,314	-	-	4,100
Contributions and Donations	-	-	-	-
All Other Revenues	3,213	-	-	-
Total Revenues	<u>494,907</u>	<u>80</u>	<u>22,643</u>	<u>4,100</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	-	-
Vocational Instruction	-	-	24,690	-
Adult/Continuing Instruction	-	-	-	83,511
Other	-	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	524,300	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>524,300</u>	<u>-</u>	<u>24,690</u>	<u>83,511</u>
Excess of Revenues Over (Under) Expenditures	<u>(29,393)</u>	<u>80</u>	<u>(2,047)</u>	<u>(79,411)</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	75,000
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Net Change in Fund Balances	(29,393)	80	(2,047)	(4,411)
Fund Balances (Deficit) - Beginning of Year	10,387	18,900	10,844	(175)
Fund Balances (Deficit) - End of Year	<u>\$ (19,006)</u>	<u>\$ 18,980</u>	<u>\$ 8,797</u>	<u>\$ (4,586)</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, 2019

<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>
\$ 592,062	\$ -	\$ -	\$ -	\$ -	\$ 766,764
-	-	-	-	-	4,369
1,043,280	-	-	814,807	-	-
-	-	-	-	50,183	-
16,492	-	4,450	-	-	-
-	20,126	-	-	-	-
-	-	5,976	-	-	-
<u>1,651,834</u>	<u>20,126</u>	<u>10,426</u>	<u>814,807</u>	<u>50,183</u>	<u>771,133</u>
-	10,742	1,829	-	-	-
544,519	10	-	-	-	-
841,314	-	-	-	-	-
-	-	-	-	-	-
-	-	1,637	-	-	-
424,791	-	-	-	-	-
-	-	-	-	-	-
1,617	-	-	-	-	-
7,944	-	-	-	-	-
-	-	5,975	-	-	-
-	-	-	-	-	-
-	-	-	715,242	-	774,605
-	-	-	-	137,796	-
-	-	-	-	-	-
<u>1,820,185</u>	<u>10,752</u>	<u>9,441</u>	<u>715,242</u>	<u>137,796</u>	<u>774,605</u>
<u>(168,351)</u>	<u>9,374</u>	<u>985</u>	<u>99,565</u>	<u>(87,613)</u>	<u>(3,472)</u>
-	-	-	-	100,000	-
-	-	-	-	100,000	-
<u>(168,351)</u>	<u>9,374</u>	<u>985</u>	<u>99,565</u>	<u>12,387</u>	<u>(3,472)</u>
<u>(154,999)</u>	<u>19,953</u>	<u>5,232</u>	<u>963,618</u>	<u>78,829</u>	<u>64,592</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>

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, 2019

	<u>One Net</u>	<u>Miscellaneous State Grants</u>	<u>IDEA B</u>	<u>Title III - Limited English Proficiency</u>
REVENUES				
Intergovernmental	\$ 7,200	8,582	\$ 478,115	\$ 14,909
Interest	-	-	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	-
Customer Sales and Services	-	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	-	-	-	-
Total Revenues	<u>7,200</u>	<u>8,582</u>	<u>478,115</u>	<u>14,909</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	8,582	37,017	-
Special	-	-	158,690	14,509
Vocational Instruction	-	-	-	-
Adult/Continuing Instruction	-	-	-	-
Other	-	-	-	-
Supporting Services:				
Pupils	-	-	164,524	-
Instructional Staff	7,200	-	-	655
Administration	-	-	-	-
Operation and Maintenance of Plant Services	-	-	-	-
Pupil Transportation	-	-	93,995	-
Operation of Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	43,838	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>7,200</u>	<u>8,582</u>	<u>498,064</u>	<u>15,164</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(19,949)</u>	<u>(255)</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(19,949)	(255)
Fund Balances (Deficit) - Beginning of Year	3,600	-	19,949	255
Fund Balances (Deficit) - End of Year	<u>\$ 3,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

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, 2019

Title I	Preschool Handicapped Grant	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 74,694	\$ 5,561	\$ 27,473	16,329	2,066,729
-	-	-	-	5,789
-	-	-	-	1,858,087
-	-	-	-	72,826
-	-	-	-	440,356
-	-	-	-	20,126
-	-	-	-	9,189
<u>74,694</u>	<u>5,561</u>	<u>27,473</u>	<u>16,329</u>	<u>4,473,102</u>
-	-	-	-	49,588
74,695	5,561	26,723	14,112	838,819
-	-	-	-	866,004
-	-	-	-	83,511
-	-	-	-	1,637
-	-	-	-	583,722
-	-	-	-	7,855
-	-	-	-	1,617
-	-	-	-	7,944
-	-	-	-	5,975
-	-	-	-	524,300
-	-	751	2,217	1,472,565
-	-	-	-	133,800
-	-	-	-	176,254
<u>74,695</u>	<u>5,561</u>	<u>27,474</u>	<u>16,329</u>	<u>4,753,591</u>
<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(280,489)</u>
-	-	-	-	175,000
-	-	-	-	175,000
<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(105,489)</u>
<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1,040,987</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,498</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, 2019

	Balance 6/30/2018	Additions	Reductions	Balance 6/30/2019
<u>Retirement</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,073,507	\$ 2,591,646	\$ 2,471,894	\$ 1,193,259
Liabilities				
Undistributed Monies	\$ 1,073,507	\$ 2,591,646	\$ 2,471,894	\$ 1,193,259
Total Liabilities	\$ 1,073,507	\$ 2,591,646	\$ 2,471,894	\$ 1,193,259
<u>Student Activities</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 123,129	\$ 203,452	\$ 179,808	\$ 146,773
Total Assets	\$ 123,129	\$ 203,452	\$ 179,808	\$ 146,773
Liabilities				
Due to Students	\$ 123,129	\$ 203,452	\$ 179,808	\$ 146,773
Total Liabilities	\$ 123,129	\$ 203,452	\$ 179,808	\$ 146,773
<u>Total Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,196,636	\$ 2,795,098	\$ 2,651,702	\$ 1,340,032
Total Assets	\$ 1,196,636	\$ 2,795,098	\$ 2,651,702	\$ 1,340,032
Liabilities				
Due to Students	\$ 1,073,507	\$ 2,591,646	\$ 2,471,894	\$ 146,773
Undistributed Monies	123,129	203,452	179,808	1,193,259
Total Liabilities	\$ 1,196,636	\$ 2,795,098	\$ 2,651,702	\$ 1,340,032

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 26,350,341	\$ 27,995,185	\$ 27,995,183	\$ (2)
Intergovernmental	3,666,896	3,666,896	4,229,741	562,845
Interest	400,000	400,000	705,955	305,955
Tuition and Fees	286,463	286,463	402,682	116,219
Rent	10,000	362,000	384,443	22,443
Contributions and Donations	6,500	6,500	7,422	922
Customer Sales and Services	134,300	134,300	171,712	37,412
Miscellaneous	413,306	413,306	374,116	(39,190)
Total Revenues	31,267,806	33,264,650	34,271,254	1,006,604
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	9,253,385	9,485,564	8,985,152	500,412
Fringe Benefits	2,828,268	2,828,268	2,696,080	132,188
Purchased Services	165,786	172,230	131,172	41,058
Materials and Supplies	345,878	323,075	254,562	68,513
Other	152,168	140,118	126,062	14,056
Capital Outlay	151,289	289,573	271,380	18,193
Total - Regular	12,896,774	13,238,828	12,464,408	774,420
Special				
Salaries	3,336,071	3,423,723	3,344,853	78,870
Fringe Benefits	1,158,898	1,164,171	1,131,080	33,091
Purchased Services	1,998,250	2,061,111	2,038,498	22,613
Materials and Supplies	39,455	35,907	20,634	15,273
Capital Outlay	7,800	3,874	3,870	4
Total - Special	6,540,474	6,688,786	6,538,935	149,851
Vocational				
Purchased Services	450,000	422,000	416,058	5,942
Other	19,400	24,000	18,254	5,746
Total - Vocational	469,400	446,000	434,312	11,688
Student Intervention Services				
Salaries	2,583	2,583	-	2,583
Fringe Benefits	425	425	-	425
Total - Student Intervention Services	3,008	3,008	-	3,008
Other				
Salaries	58,746	70,746	69,987	759
Fringe Benefits	65,757	68,142	52,672	15,470
Purchased Services	141,000	126,615	112,781	13,834
Total - Other	265,503	265,503	235,440	30,063
Total - Instruction:	20,175,159	20,642,125	19,673,095	969,030

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,352,406	1,353,702	1,316,981	36,721
Fringe Benefits	447,287	446,383	422,388	23,995
Purchased Services	134,000	166,948	161,587	5,361
Materials and Supplies	19,192	16,165	9,396	6,769
Other	1,119	1,119	672	447
Capital Outlay	16,473	6,164	3,164	3,000
Total - Pupils	<u>1,970,477</u>	<u>1,990,481</u>	<u>1,914,188</u>	<u>76,293</u>
Instructional Staff				
Salaries	990,341	1,000,341	994,783	5,558
Fringe Benefits	325,982	325,982	323,141	2,841
Purchased Services	80,348	248,752	225,853	22,899
Materials and Supplies	108,447	102,711	98,595	4,116
Other	341	341	248	93
Capital Outlay	121,248	65,302	51,033	14,269
Total - Instructional Staff	<u>1,626,707</u>	<u>1,743,429</u>	<u>1,693,653</u>	<u>49,776</u>
Board of Education				
Salaries	16,900	16,700	13,375	3,325
Fringe Benefits	3,521	3,521	2,558	963
Purchased Services	475,914	455,111	430,759	24,352
Materials and Supplies	1,200	1,400	1,066	334
Other	19,558	32,855	32,855	-
Capital Outlay	2,000	-	-	-
Total - Board of Education	<u>519,093</u>	<u>509,587</u>	<u>480,613</u>	<u>28,974</u>
Administration				
Salaries	1,524,329	1,524,329	1,447,297	77,032
Fringe Benefits	771,409	770,709	695,191	75,518
Purchased Services	116,070	113,023	76,982	36,041
Materials and Supplies	26,641	25,724	12,851	12,873
Other	76,520	76,107	73,957	2,150
Capital Outlay	5,064	4,851	4,785	66
Total - Administration	<u>2,520,033</u>	<u>2,514,743</u>	<u>2,311,063</u>	<u>203,680</u>
Fiscal				
Salaries	413,889	413,889	403,085	10,804
Fringe Benefits	180,407	180,407	171,463	8,944
Purchased Services	41,869	73,319	47,230	26,089
Materials and Supplies	21,000	6,250	1,100	5,150
Other	535,315	534,534	485,768	48,766
Capital Outlay	4,000	-	-	-
Total - Fiscal	<u>1,196,480</u>	<u>1,208,399</u>	<u>1,108,646</u>	<u>99,753</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	171,246	174,935	153,623	21,312
Fringe Benefits	68,000	70,394	60,330	10,064
Purchased Services	83,885	119,508	116,341	3,167
Materials and Supplies	8,387	9,635	8,507	1,128
Other	5,316	2,575	534	2,041
Capital Outlay	4,317	683	682	1
Total - Business	<u>341,151</u>	<u>377,730</u>	<u>340,017</u>	<u>37,713</u>
Operation and Maintenance of Plant				
Salaries	1,322,968	1,287,968	1,203,634	84,334
Fringe Benefits	541,314	541,314	475,668	65,646
Purchased Services	1,993,758	1,909,575	1,873,496	36,079
Materials and Supplies	215,070	221,070	219,426	1,644
Capital Outlay	54,850	12,675	12,515	160
Total - Operation and Maintenance of Plant	<u>4,127,960</u>	<u>3,972,602</u>	<u>3,784,739</u>	<u>187,863</u>
Pupil Transportation				
Salaries	1,053,209	1,053,209	960,613	92,596
Fringe Benefits	450,158	450,158	397,487	52,671
Purchased Services	93,700	93,700	67,321	26,379
Materials and Supplies	204,350	203,350	192,640	10,710
Capital Outlay	91,000	88,734	88,734	-
Total - Pupil Transportation	<u>1,892,417</u>	<u>1,889,151</u>	<u>1,706,795</u>	<u>182,356</u>
Central				
Salaries	79,280	84,214	68,051	16,163
Fringe Benefits	65,307	38,463	37,514	949
Purchased Services	107,445	108,445	73,557	34,888
Materials and Supplies	22,600	13,000	6,077	6,923
Other	5,400	8,000	6,945	1,055
Total - Central	<u>280,032</u>	<u>252,122</u>	<u>192,144</u>	<u>59,978</u>
Total - Support Services:	<u>14,474,350</u>	<u>14,458,244</u>	<u>13,531,858</u>	<u>926,386</u>
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	20,000	20,000	18,472	1,528
Materials and Supplies	13,000	13,113	9,956	3,157
Other	6,000	6,000	3,965	2,035
Total - Community Services	<u>39,000</u>	<u>39,113</u>	<u>32,393</u>	<u>6,720</u>
Total - Operation of Non-Instructional Services:	<u>39,000</u>	<u>39,113</u>	<u>32,393</u>	<u>6,720</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	162,306	166,506	166,433	73
Fringe Benefits	27,291	29,891	29,859	32
Total - Academic Oriented Activities	<u>189,597</u>	<u>196,397</u>	<u>196,292</u>	<u>105</u>
Sport Oriented Activities				
Salaries	699,374	693,374	692,812	562
Fringe Benefits	194,942	194,142	187,747	6,395
Total - Sport Oriented Activities	<u>894,316</u>	<u>887,516</u>	<u>880,559</u>	<u>6,957</u>
School and Public Service Co-Curricular Activities				
Salaries	43,342	43,342	42,150	1,192
Fringe Benefits	7,028	7,028	6,920	108
Total - School and Public Service Co-Curricular Activities	<u>50,370</u>	<u>50,370</u>	<u>49,070</u>	<u>1,300</u>
Total - Extracurricular Activities:	<u>1,173,283</u>	<u>1,173,396</u>	<u>1,158,314</u>	<u>15,082</u>
Total Expenditures	<u>35,822,792</u>	<u>36,273,765</u>	<u>34,363,267</u>	<u>1,910,498</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,554,986)</u>	<u>(3,009,115)</u>	<u>(92,013)</u>	<u>2,917,102</u>
OTHER FINANCING SOURCES AND (USES):				
Transfers In	420,000	420,000	528,994	108,994
Proceeds from Sale of Capital Assets	10,000	10,000	7,456	(2,544)
Refund of Prior Year Expenditures	2,500	2,500	-	(2,500)
Transfers Out	(998,275)	(1,094,045)	(1,024,904)	69,141
Other Financing (Uses)	(31,640)	-	-	-
Total Other Financing Sources and (Uses)	<u>(597,415)</u>	<u>(661,545)</u>	<u>(488,454)</u>	<u>173,091</u>
Net Change in Fund Balances	(5,152,401)	(3,670,660)	(580,467)	3,090,193
Fund Balance at Beginning of Year	21,591,129	21,591,129	21,591,129	-
Prior Year Encumbrances Appropriated	225,756	225,756	225,756	-
Fund Balance at End of Year	<u>\$ 16,664,484</u>	<u>\$ 18,146,225</u>	<u>\$ 21,236,418</u>	<u>\$ 3,090,193</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 2,928,555	\$ 4,011,558	\$ 1,083,003
Intergovernmental	787,960	1,132,652	344,692
Total Revenues	<u>3,716,515</u>	<u>5,144,210</u>	<u>1,427,695</u>
EXPENDITURES:			
Debt Service:			
Principal	3,315,000	3,315,000	-
Interest and fiscal charges	1,395,427	1,395,426	1
Total Expenditures	<u>4,710,427</u>	<u>4,710,426</u>	<u>1</u>
Net Change in Fund Balances	(993,912)	433,784	1,427,696
Fund Balance at Beginning of Year	<u>3,059,564</u>	<u>3,059,564</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,065,652</u>	<u>\$ 3,493,348</u>	<u>\$ 1,427,696</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 1,001,076	\$ 120,970	\$ (880,106)
Intergovernmental	361,083	99,794	(261,289)
Interest	45,000	73,090	28,090
All Other Revenues	-	1,050	1,050
Total Revenues	<u>1,407,159</u>	<u>294,904</u>	<u>(1,112,255)</u>
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	90,950	88,871	2,079
Capital Outlay:			
Architecture and Engineering Services	41,000	41,000	-
Other Facilities Acquisition and Construction	368,050	306,101	61,949
Total Expenditures	<u>500,000</u>	<u>435,972</u>	<u>64,028</u>
Net Change in Fund Balances	907,159	(141,068)	(1,048,227)
Fund Balance at Beginning of Year	239,813	239,813	-
Prior Year Encumbrances Appropriated	209,466	209,466	-
Fund Balance at End of Year	<u>\$ 1,356,438</u>	<u>\$ 308,211</u>	<u>\$ (1,048,227)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 67,803	\$ 75,040	\$ 7,237
Interest	230	1,340	1,110
Customer Sales and Services	426,689	421,667	(5,022)
Miscellaneous	5,000	3,292	(1,708)
Total Revenues	<u>499,722</u>	<u>501,339</u>	<u>1,617</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations	<u>519,636</u>	<u>516,500</u>	<u>3,136</u>
Total Expenditures	<u>519,636</u>	<u>516,500</u>	<u>3,136</u>
Excess of Revenues Over (Under) Expenditures	<u>(19,914)</u>	<u>(15,161)</u>	<u>4,753</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total Other Financing Sources	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Net Change in Fund Balances	86	(15,161)	(15,247)
Fund Balance at Beginning of Year	<u>16,736</u>	<u>16,736</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 16,822</u>	<u>\$ 1,575</u>	<u>\$ (15,247)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 46	\$ 80	\$ 34
Total Revenues	<u>46</u>	<u>80</u>	<u>34</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils	<u>2,981</u>	<u>-</u>	<u>2,981</u>
Total Expenditures	<u>2,981</u>	<u>-</u>	<u>2,981</u>
Net Change in Fund Balances	(2,935)	80	3,015
Fund Balance at Beginning of Year	<u>18,900</u>	<u>18,900</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 15,965</u></u>	<u><u>\$ 18,980</u></u>	<u><u>\$ 3,015</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 25,000	\$ 22,643	\$ (2,357)
Total Revenues	<u>25,000</u>	<u>22,643</u>	<u>(2,357)</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational	<u>30,000</u>	<u>24,690</u>	<u>5,310</u>
Total Expenditures	<u>30,000</u>	<u>24,690</u>	<u>5,310</u>
Net Change in Fund Balances	(5,000)	(2,047)	2,953
Fund Balance at Beginning of Year	7,935	7,935	-
Prior Year Encumbrances Appropriated	<u>2,909</u>	<u>2,909</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 5,844</u></u>	<u><u>\$ 8,797</u></u>	<u><u>\$ 2,953</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ 4,100	\$ (900)
Total Revenues	<u>5,000</u>	<u>4,100</u>	<u>(900)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing	<u>85,000</u>	<u>79,137</u>	<u>5,863</u>
Total Expenditures	<u>85,000</u>	<u>79,137</u>	<u>5,863</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,000)</u>	<u>(75,037)</u>	<u>4,963</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>80,000</u>	<u>75,000</u>	<u>(5,000)</u>
Total Other Financing Sources	<u>80,000</u>	<u>75,000</u>	<u>(5,000)</u>
Net Change in Fund Balances	-	(37)	(37)
Fund Balance at Beginning of Year	<u>5,718</u>	<u>5,718</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,718</u>	<u>\$ 5,681</u>	<u>\$ (37)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 625,000	\$ 592,062	\$ (32,938)
Tuition and Fees	1,122,100	1,045,115	(76,985)
Customer Sales and Services	20,000	16,238	(3,762)
Total Revenues	<u>1,767,100</u>	<u>1,653,415</u>	<u>(113,685)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	334,966	312,913	22,053
Vocational	848,316	728,741	119,575
Support Services:			
Pupils	455,761	389,042	66,719
Administration	3,471	1,617	1,854
Operation and Maintenance of Plant	43,383	7,944	35,439
Total Expenditures	<u>1,685,897</u>	<u>1,440,257</u>	<u>245,640</u>
Excess of Revenues Over (Under) Expenditures	<u>81,203</u>	<u>213,158</u>	<u>131,955</u>
OTHER FINANCING SOURCES AND (USES):			
Transfers In	1,828,035	1,832,254	4,219
Transfers Out	(1,845,543)	(1,832,254)	13,289
Total Other Financing Sources and (Uses)	<u>(17,508)</u>	<u>-</u>	<u>17,508</u>
Net Change in Fund Balances	63,695	213,158	149,463
Fund Balance at Beginning of Year	2,128,037	2,128,037	-
Prior Year Encumbrances Appropriated	15,255	15,255	-
Fund Balance at End of Year	<u>\$ 2,206,987</u>	<u>\$ 2,356,450</u>	<u>\$ 149,463</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Contributions and Donations	\$ 17,400	\$ 20,126	\$ 2,726
Total Revenues	<u>17,400</u>	<u>20,126</u>	<u>2,726</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	19,510	11,001	8,509
Special	385	10	375
Support Services:			
Central	<u>105</u>	<u>-</u>	<u>105</u>
Total Expenditures	<u>20,000</u>	<u>11,011</u>	<u>8,989</u>
Net Change in Fund Balances	(2,600)	9,115	11,715
Fund Balance at Beginning of Year	19,873	19,873	-
Prior Year Encumbrances Appropriated	<u>80</u>	<u>80</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 17,353</u>	<u>\$ 29,068</u>	<u>\$ 11,715</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ 4,450	\$ (550)
Miscellaneous	5,960	5,976	16
Total Revenues	<u>10,960</u>	<u>10,426</u>	<u>(534)</u>
EXPENDITURES:			
Current:			
Current:			
Instruction:			
Regular	5,774	2,411	3,363
Other	2,550	1,860	690
Support Services:			
Pupil Transportation	5,976	5,975	1
Total Expenditures	<u>14,300</u>	<u>10,246</u>	<u>4,054</u>
Net Change in Fund Balances	(3,340)	180	3,520
Fund Balance at Beginning of Year	3,582	3,582	-
Prior Year Encumbrances Appropriated	<u>1,650</u>	<u>1,650</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,892</u>	<u>\$ 5,412</u>	<u>\$ 3,520</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	\$ 32,708	\$ 32,149	\$ 559
Special	5,246	5,007	239
Support Services:			
Operation and Maintenance of Plant	26,429	26,096	333
Pupil Transportation	31,519	3,250	28,269
Extracurricular Activities:			
Sport Oriented Activities	4,098	-	4,098
Total Expenditures	<u>100,000</u>	<u>66,502</u>	<u>33,498</u>
Excess of Revenues Over (Under) Expenditures	<u>(100,000)</u>	<u>(66,502)</u>	<u>33,498</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balances	200,000	233,498	33,498
Fund Balance (Deficit) at Beginning of Year	<u>1,705,748</u>	<u>1,705,748</u>	<u>-</u>
Fund Balance (Deficit) at End of Year	<u><u>\$ 1,905,748</u></u>	<u><u>\$ 1,939,246</u></u>	<u><u>\$ 33,498</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 790,000	\$ 815,067	\$ 25,067
Total Revenues	<u>790,000</u>	<u>815,067</u>	<u>25,067</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>734,454</u>	<u>709,247</u>	<u>25,207</u>
Total Expenditures	<u>734,454</u>	<u>709,247</u>	<u>25,207</u>
Net Change in Fund Balances	55,546	105,820	50,274
Fund Balance at Beginning of Year	1,035,723	1,035,723	-
Prior Year Encumbrances Appropriated	<u>3,048</u>	<u>3,048</u>	-
Fund Balance at End of Year	<u>\$ 1,094,317</u>	<u>\$ 1,144,591</u>	<u>\$ 50,274</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 44,700	\$ 50,568	\$ 5,868
Total Revenues	<u>44,700</u>	<u>50,568</u>	<u>5,868</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities	4,000	2,038	1,962
Sport Oriented Activities	<u>185,358</u>	<u>138,963</u>	<u>46,395</u>
Total Expenditures	<u>189,358</u>	<u>141,001</u>	<u>48,357</u>
Excess of Revenues Over (Under) Expenditures	<u>(144,658)</u>	<u>(90,433)</u>	<u>54,225</u>
OTHER FINANCING SOURCES :			
Transfers In	<u>115,000</u>	<u>100,000</u>	<u>(15,000)</u>
Total Other Financing Sources	<u>115,000</u>	<u>100,000</u>	<u>(15,000)</u>
Net Change in Fund Balances	(29,658)	9,567	39,225
Fund Balance at Beginning of Year	62,892	62,892	-
Prior Year Encumbrances Appropriated	<u>15,551</u>	<u>15,551</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 48,785</u></u>	<u><u>\$ 88,010</u></u>	<u><u>\$ 39,225</u></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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 766,764	\$ 766,764	\$ -
Interest	2,501	4,369	1,868
Total Revenues	<u>769,265</u>	<u>771,133</u>	<u>1,868</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional Services:			
Community Services	<u>857,338</u>	<u>853,280</u>	<u>4,058</u>
Total Expenditures	<u>857,338</u>	<u>853,280</u>	<u>4,058</u>
Net Change in Fund Balances	(88,073)	(82,147)	5,926
Fund Balance at Beginning of Year	60,465	60,465	-
Prior Year Encumbrances Appropriated	<u>27,608</u>	<u>27,608</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 5,926</u>	<u>\$ 5,926</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ -
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>-</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Total Expenditures	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>3,600</u>	<u>3,600</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 3,600</u></u>	<u><u>\$ 3,600</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 State Grant Fund
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 8,583	\$ 8,582	\$ (1)
Total Revenues	<u>8,583</u>	<u>8,582</u>	<u>(1)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	<u>8,583</u>	<u>8,582</u>	<u>1</u>
Total Expenditures	<u>8,583</u>	<u>8,582</u>	<u>1</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 606,247	\$ 478,115	\$ (128,132)
Total Revenues	<u>606,247</u>	<u>478,115</u>	<u>(128,132)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	43,805	37,017	6,788
Special	158,691	158,690	1
Support Services:			
Pupils	164,526	164,524	2
Pupil Transportation	93,995	93,995	-
Operation of Non-Instructional Services:			
Community Services	<u>145,228</u>	<u>43,838</u>	<u>101,390</u>
Total Expenditures	<u>606,245</u>	<u>498,064</u>	<u>108,181</u>
Net Change in Fund Balances	2	(19,949)	(19,951)
Fund Balance at Beginning of Year	17,972	17,972	-
Prior Year Encumbrances Appropriated	<u>1,977</u>	<u>1,977</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 19,951</u>	<u>\$ -</u>	<u>\$ (19,951)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 15,164	\$ 14,909	\$ (255)
Total Revenues	<u>15,164</u>	<u>14,909</u>	<u>(255)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	14,509	14,509	-
Support Services:			
Instructional Staff	<u>655</u>	<u>655</u>	<u>-</u>
Total Expenditures	<u>15,164</u>	<u>15,164</u>	<u>-</u>
Net Change in Fund Balances	-	(255)	(255)
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	<u>255</u>	<u>255</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 255</u>	<u>\$ -</u>	<u>\$ (255)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 105,016	\$ 74,694	\$ (30,322)
Total Revenues	<u>105,016</u>	<u>74,694</u>	<u>(30,322)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	85,085	74,695	10,390
Operation of Non-Instructional Services:			
Community Services	<u>19,931</u>	<u>-</u>	<u>19,931</u>
Total Expenditures	<u>105,016</u>	<u>74,695</u>	<u>30,321</u>
Net Change in Fund Balances	-	(1)	(1)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 5,561	\$ 5,561	\$ -
Total Revenues	<u>5,561</u>	<u>5,561</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>5,561</u>	<u>5,561</u>	<u>-</u>
Total Expenditures	<u>5,561</u>	<u>5,561</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 35,920	\$ 27,473	\$ (8,447)
Total Revenues	<u>35,920</u>	<u>27,473</u>	<u>(8,447)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	26,723	26,723	-
Operation of Non-Instructional Services:			
Community Services	<u>9,197</u>	<u>751</u>	<u>8,446</u>
Total Expenditures	<u>35,920</u>	<u>27,474</u>	<u>8,446</u>
Net Change in Fund Balances	-	(1)	(1)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 20,314	\$ 16,329	\$ (3,985)
Total Revenues	<u>20,314</u>	<u>16,329</u>	<u>(3,985)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	14,112	14,112	-
Operation of Non-Instructional/Shared Services:			
Community Services	<u>6,202</u>	<u>2,217</u>	<u>3,985</u>
Total Expenditures	<u>20,314</u>	<u>16,329</u>	<u>3,985</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>

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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 3,200,000	\$ 3,639,973	\$ 439,973
Other Revenues	330,000	483,833	153,833
Total Operating Revenues	<u>3,530,000</u>	<u>4,123,806</u>	<u>593,806</u>
OPERATING EXPENSES:			
Claims	4,194,000	3,978,061	215,939
Other	235,000	234,718	282
Total Operating Expenses	<u>4,429,000</u>	<u>4,212,779</u>	<u>216,221</u>
Operating Income (Loss)	<u>(899,000)</u>	<u>(88,973)</u>	<u>810,027</u>
Net Change in Net Position	(899,000)	(88,973)	810,027
Net Position at Beginning of Year	2,018,111	2,018,111	-
Prior Year Encumbrances Appropriated	<u>13,206</u>	<u>13,206</u>	<u>-</u>
Net Position at End of Year	<u>\$ 1,132,317</u>	<u>\$ 1,942,344</u>	<u>\$ 810,027</u>

STATISTICAL

SECTION

Statistical Section

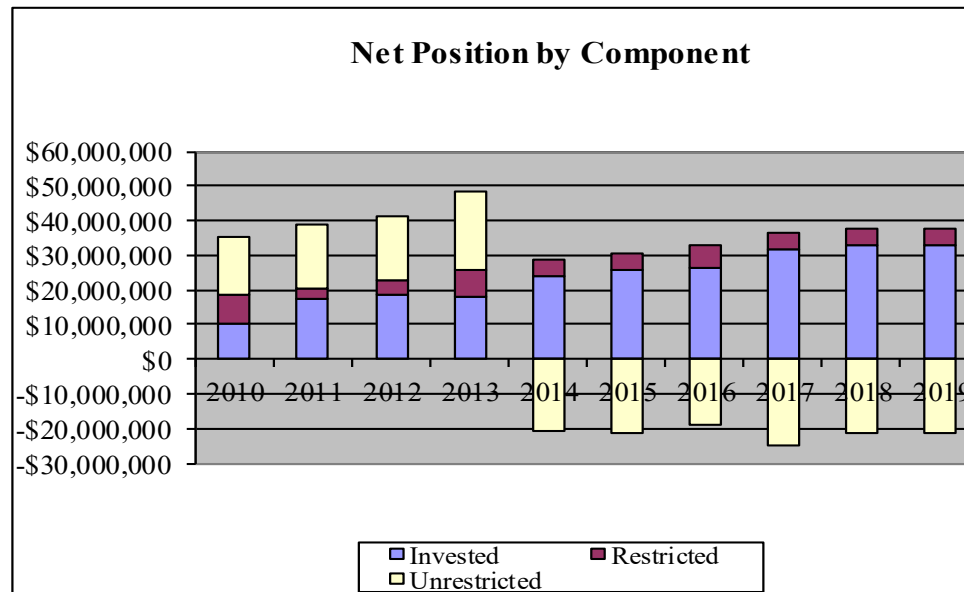
This part of the Beachwood City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Investment in Capital Assets	\$ 10,092,016	\$ 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
Restricted for:										
Debt Services	1,909,169	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
Capital Outlay	5,965,796	218,541	616,102	4,242,814	889,076	1,305,802	2,182,718	-	-	-
Other Purposes	373,958	325,704	423,498	668,352	660,011	543,051	1,013,143	1,038,742	1,163,756	1,253,918
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	16,700,337	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)
Total Net Position	\$ 35,176,149	\$ 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

Source: District Financial Statements



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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Regular Instruction	\$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	\$11,732,566
Special Instruction	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	5,787,279
Vocational Instruction	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	1,489,827
Adult/Conintuing	73,452	40,949	73,772	70,675	70,303	106,568	101,993	99,837	172,423	229,767
Other Instruction	213,074	48,096	312,115	289,608	265,444	282,232	267,839	238,069	128,063	225,758
Pupils	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	2,599,282
Instructional Staff	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	1,115,463
Board of Education	488,359	511,650	355,408	357,340	408,141	446,035	606,698	358,447	562,724	522,649
Administration	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	2,337,526
Fiscal	1,101,920	811,820	996,628	1,167,782	1,061,998	830,832	789,311	827,047	443,112	1,136,671
Business	301,740	263,756	418,986	356,635	326,285	284,773	418,499	459,488	464,459	493,005
Operation and										
Maintenance of Plant	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	3,340,931
Pupil Transportation	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	2,100,921
Central	151,670	317,415	291,687	247,360	188,585	75,288	375,875	700,838	779,644	756,795
Non-instructional	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	1,526,872
Extracurricular Activities	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	982,846
Debt Service	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	481,661
<i>Total Expenses</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>	<i>\$36,859,819</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$190,482	\$200,877	\$197,711	\$187,527	\$223,848	\$173,762	\$198,005	\$198,931	\$262,524	\$282,997
Special Instruction	612,871	610,730	579,212	162,256	917,763	253,148	1,339,857	882,280	1,016,441	408,532
Vocational Instruction	385,319	232,089	346,228	456,962	627,211	599,952	636,639	581,738	810,461	670,516
Adult/Conintuing	4,100	4,995	6,110	4,598	6,500	6,853	10,597	16,141	43,777	208,866
Other Instruction	-	-	-	26,001	6,113	-	489	100	2,166	-
Pupils	333,327	447,634	223,357	170,157	489,453	508,341	774,941	804,828	917,293	821,602
Instructional Staff	74,630	3,609	12,616	9,064	12,512	2,065	2,701	51,699	59,206	70,830
Administration	537	-	2,917	1,268	959	-	3,574	-	-	6,195
Fiscal	-	-	-	20,199	20	18,882	17,401	9,088	20,410	21,117
Business	-	-	-	665	231	971	1,063	2,130	3,178	3,483
Operation and										
Maintenance of Plant	387,081	409,509	398,776	337,419	326,246	311,240	302,878	333,064	324,955	377,779
Pupil Transportation	1,251	41,397	2,384	3,731	7,780	5,033	2,525	2,244	-	7,708
Central	-	-	-	3,662	1,891	-	-	12,000	2,652	26,020
Food Service Operations	421,644	379,293	359,144	388,413	345,146	345,753	362,627	382,012	422,646	448,638
Community Services	817,853	776,427	767,277	703,030	731,997	558,981	633,130	562,874	499,863	504,650
Extracurricular Activities	50,183	56,423	47,989	47,452	54,583	52,064	60,329	80,872	46,729	41,905

Source: District Financial Statements

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Grants and Contributions:										
Regular Instruction	\$725,712	\$640,042	\$583,902	\$377,004	\$462,809	\$560,713	\$954,217	\$1,101,653	\$549,983	\$562,371
Special Instruction	1,243,018	1,211,893	1,165,731	1,137,484	1,049,131	961,075	419,766	602,671	930,310	644,712
Vocational Instruction	249,357	237,702	320,397	296,470	494,562	495,738	341,849	387,084	471,903	399,322
Other Instruction	-	-	-	-	-	-	95,243	-	-	-
Pupils	207,557	155,581	237,437	245,630	233,488	162,901	298,176	344,971	225,966	157,696
Instructional Staff	7,200	7,200	468	1,952	8,550	149,687	126,642	82,014	71,242	72,793
Administration	1,186	3,960	3,341	9,538	11,269	-	12,726	13,862	-	13,591
Operations	5,825	28,325	18,091	32,855	53,529	-	63,630	29,705	-	-
Pupil Transportation	317,840	377,852	405,306	451,538	420,648	337,890	52,733	30,671	470,815	543,734
Central	-	-	-	-	-	-	7,200	9,000	16,375	16,432
Food Service Operations	75,040	62,629	60,585	66,309	71,733	57,098	81,350	68,588	68,349	63,411
Community Services	804,846	789,705	817,661	756,588	688,541	597,713	572,830	519,955	563,069	252,504
Capital Grants and Contributions:										
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Total Program Revenues	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	6,627,404
Net Expenses	(\$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)	(\$30,232,415)

Source: District Financial Statements

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Not Restricted to Specific Services	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	6,141,675
Investment Earnings	1,209,263	85,373	395,352	389,609	309,666	176,869	73,323	221,860	332,985	241,009
Miscellaneous	464,468	2,013,358	2,448,304	1,752,422	632,226	2,712,099	5,436,826	298,808	250,458	257,895
Property Taxes	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	23,881,579
<i>Total General Revenues</i>	<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>	<u>30,522,158</u>
<i>Change in Net Position</i>	<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>	<u>\$289,743</u>

Source: District Financial Statements

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<i>General Fund</i>										
Nonspendable	48,680	41,199	60,591	81,171	79,722	91,882	81,213	77,423	78,834	77,659
Restricted	134,873	149,705	142,289	134,873	134,873	134,873	134,873	134,873	142,715	142,915
Committed	329,769	214,660	297,139	257,275	446,142	227,580	245,081	312,464	466,442	148,076
Assigned	1,833,318	4,360,215	1,326,357	-	2,498,306	1,858,365	-	2,412,549	1,170,307	1,305,151
Unassigned	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	16,281,758
<i>Total General Fund</i>	<u>29,319,205</u>	<u>26,992,766</u>	<u>28,393,299</u>	<u>30,391,234</u>	<u>27,851,435</u>	<u>28,956,638</u>	<u>22,692,649</u>	<u>18,951,505</u>	<u>18,674,576</u>	<u>17,955,559</u>
<i>All Other Governmental Funds</i>										
Nonspendable	6,893	5,408	8,760	7,618	7,812	7,393	7,516	8,712	4,891	-
Restricted	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	8,464,795
Committed	-	-	-	4,487,517	560,228	278,044	3,113,215	16,807,535	6,097,755	645,440
Unassigned	(3,050,701)	(2,873,698)	(2,408,221)	-	-	(16,305)	(1,004)	(7,428)	-	-
<i>Total All Other Governmental Funds</i>	<u>2,196,774</u>	<u>1,643,352</u>	<u>1,873,022</u>	<u>6,721,897</u>	<u>4,732,355</u>	<u>4,755,715</u>	<u>7,839,584</u>	<u>21,500,236</u>	<u>36,265,512</u>	<u>9,110,235</u>
<i>Total Governmental Funds</i>	<u>\$31,515,979</u>	<u>\$28,636,118</u>	<u>\$30,266,321</u>	<u>\$37,113,131</u>	<u>\$32,583,790</u>	<u>\$33,712,353</u>	<u>\$30,532,233</u>	<u>\$40,451,741</u>	<u>\$54,940,088</u>	<u>\$27,065,794</u>

Note: The School District implemented GASB 54 in 2011.

Source: District Financial Statements

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues										
Property and Other Local Taxes	\$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	\$23,720,129
Integovernmental	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	8,868,241
Interest	1,209,263	85,373	395,352	390,304	309,750	176,914	73,489	221,951	333,272	241,202
Tuition and Fees/Rent	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	2,576,047
Miscellaneous Revenue from Local Sources	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	1,582,493
Total Revenues	\$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	\$36,988,112
Expenditures										
Instruction	\$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	\$18,741,726
Support Services:										
Pupil	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	2,638,931
Instructional Staff	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	1,109,864
Board of Education	468,415	504,063	332,135	336,313	387,993	424,218	585,644	337,438	543,728	502,689
Administration	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	2,295,127
Fiscal	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	982,071
Business	321,904	380,556	389,899	349,582	356,524	288,951	415,861	479,569	456,991	485,105
Operation and Maintenance of Plant	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	3,310,293
Pupil Transportation	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	2,189,730
Central	194,649	306,702	280,386	299,163	253,730	244,583	918,231	1,124,218	1,317,613	742,267
Non-instructional	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	1,492,319
Extracurricular Activities	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	956,455
Capital Outlay	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	397,220
Debt Service:										
Principal	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	1,450,000
Interest	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	645,190
Total Expenditures	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	37,938,987
Excess of Revenues Over (Under) Expenditures	2,863,544	(1,639,511)	(6,878,741)	(657,505)	(1,128,563)	2,811,535	(10,136,671)	(14,660,434)	(2,067,470)	(950,875)
Other Financing Sources/(Uses)										
Operating Transfers In	175,000	250,000	203,000	195,500	259,572	272,600	331,600	233,540	243,024	240,000
General Obligation Bonds Issued	-	-	-	5,009,296	-	16,569,966	3,325,175	-	30,319,567	-
Proceed from Sale of Bonds	-	-	-	-	-	-	-	-	-	5,650,000
Proceeds from Sale of Capital Assets	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	(175,000)	(250,000)	(203,000)	(195,500)	(259,572)	(272,600)	(331,600)	(233,540)	(243,024)	(240,000)
Refunding of Bonds	-	-	-	-	-	(16,740,000)	(3,265,762)	-	-	-
	16,317	9,308	31,931	5,186,838	-	368,585	217,163	172,087	30,587,206	5,650,000
Net Changes in Fund Balances	\$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	\$4,699,125
Debt Services as a percentage of Noncapital expenditures	10.88%	10.84%	10.90%	10.56%	10.03%	10.74%	11.65%	10.04%	9.24%	5.32%

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	
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
2010	713,176,220	2,037,646,343	9,694,520	11,016,500	722,870,740	2,048,662,843	83.90

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	Overlapping		Total Levy	Debt Service Included in Total Levy		
	School Levy	County Levy	City Levy		School	County	Total
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
2009/2010	83.90	20.60	4.00	108.50	1.90	0.82	2.72

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>
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%
2009/2010	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.
(1) Includes Homestead/Rollback taxes assessed locally but distributed through the State and reported as intergovernmental revenue.

Beachwood City School District
Principal Property Taxpayers
Real Estate Tax
December 31, 2018 and December 31, 2009

Name of Taxpayer	Nature of Business	December 31, 2018	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$74,583,620	19.67%
OLP Beachwood LLC	Apartment Complex	27,942,150	7.37%
Hamptons Apartment	Apartment Complex	15,846,290	4.18%
Four Seasons Apartments LLC	Apartment Complex	13,520,730	3.57%
Village Green of Beachwood	Condominiums	11,784,570	3.11%
DFG Pavilion LLC	Retail	10,408,030	2.75%
Developers Diversified	Realty	10,358,570	2.73%
Four Seasons Apartments IV LLC	Apartment Complex	9,637,850	2.54%
Cleveland Beachwood Hospital	Health Care	6,887,200	1.82%
Commerce Park IV & V Associates	Office Buildings	6,215,280	1.64%
		<u>\$187,184,290</u>	<u>49.37%</u>
Total Commercial Valuation		<u>\$379,119,340</u>	

Name of Taxpayer	Nature of Business	December 31, 2009	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$57,858,580	15.48%
Cleveland Clinic	Health Care	47,218,900	12.64%
Hamptons Apartment	Apartments	10,995,570	2.94%
Commerce Park	Office Buildings	9,800,020	2.62%
Village Green of Beachwood	Condominiums	9,180,720	2.46%
Four Seasons Apartments	Apartments	8,786,240	2.35%
Boardwalk Partners LLC	Hotel	8,423,740	2.25%
HCRI Beachwood, Inc.	Hotel	7,897,610	2.11%
Double Tree	Hotel	7,420,010	1.99%
Gotham King Fee Owner, LLC	Unknown	6,704,960	1.79%
		<u>\$174,286,350</u>	<u>46.64%</u>
Total Commercial Valuation		<u>\$373,704,370</u>	

Source: Cuyahoga County Fiscal Officer

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2018 and December 31, 2009

		December 31, 2018	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$8,444,320	70.62%
Total		\$8,444,320	70.62%
Total Public Utility Valuation		\$11,956,730	

		December 31, 2009	
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

Source: Cuyhoga County Fiscal Officer

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
2019	\$24,604,966	\$4,644,532	\$0	\$29,249,498	\$2,447	5.1%
2018	26,994,966	5,586,973	0	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%
2010	11,479,998	6,410,000	41,053	17,931,051	1,471	8.2%

Source: Beachwood City Schools

* Population 11,953 per US census, 2010-2019

(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, 2018

<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	\$24,604,966	100.00%	\$24,604,966
<i>Overlapping Debt:</i>			
Cuyahoga County	188,010,000	2.83%	5,317,746
Cuyahoga Community College	212,260,000	2.83%	6,003,642
City of Beachwood	18,735,000	96.21%	18,024,132
City of Pepper Pike	<u>5,079,195</u>	0.55%	<u>28,159</u>
Total Overlapping Debt	<u>424,084,195</u>		<u>29,373,679</u>
Total Debt	<u><u>\$448,689,161</u></u>		<u><u>\$53,978,645</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 2019 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>
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
2010	11,479,998	1,884,167	9,595,831	722,870,740	12,186	1.33%	787

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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Assessed Valuation	<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)	\$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	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>3,958,142</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>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>\$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	6.36%	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)	<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>
Unvoted Debt Margin	<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>
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
2010	11,953	136,606	51,742	573,863,530	48,010	2.3	8.6

Source:

- (1) Federal Census
- (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

Beachwood City School District

Principal Employers

December 31, 2018

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
* University Hospitals	2
Menorah Park Center	3
*Eaton Corporation	4
Beachwood City School District	5
City of Beachwood	6
Lifetime Fitness Club	7
Montefiore Home	8
Developers Diversified	9
Pensek Logistics	10

December 31, 2009

<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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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		89	84	75	75	75	79	74	67	70
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	3.6	3.21	3.21	2.88	2	2	3
Special Instruction Classrooms	2	2	2	2	2	2	2	2	3	3
Special Instruction Teachers	1	1	0.5	0.6	1	1	1	1	1	1.68
% of students who receive free/reduced lunch	0.0%	0.0%	5.0%	0	0	0	0	0	0	0.00**
* 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		264	239	278	278	233	260	276	303	307
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	15.6	15.6	17.98	17.98	17.37	17.37	18.4	17.4	16.9	18
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	3	3	2.4	2.4	3	3	4	4.2	4.2	5.00
% of students who receive free/reduced lunch	7.47%	3.43%	6.12%	7.79%	9.01%	9.01%	7.30%	13.76%	12.21%	11.31%
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		317	269	294	294	325	361	321	294	284
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	22.4	22.4	20.8	20.8	20.88	20.88	19.98	17.3	16.38	20.56
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	6	6	5	5	8	8	7	6.2	8.8	9.4
% of students who receive free/reduced lunch	5.83%	7.77%	10.00%	9.89%	14.15%	14.15%	12.74%	11.21%	9.52%	10.09%
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		346	363	348	348	311	318	358	336	320
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	22.96	22.96	22.3	22.3	21.4	21.58	21.58	21.2
Special Instruction Classrooms	6	6	6	6	3	3	3	3	3	3
Special Instruction Teachers	7	7	6.07	6.07	5.2	5.2	5	5.8	7	6
% of students who receive free/reduced lunch	8.41%	9.54%	9.16%	8.74%	10.28%	10.28%	12.26%	11.45%	14.88%	10.73%
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	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12		647	639	643	643	635	627	650	692	667
Student Capacity	1350	1350	1350	1350	1350	1350	1180	1180	1180	1,180
Regular Instruction Classrooms	45	45	45	45	45	45	40	40	40	40
Regular Instruction Teachers	40.9	40.9	40.54	40.54	41.8	41.8	42.73	41.185	42.7	40
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	7	7	6.6	6.6	7	7	7	8	8	8
% of students who receive free/reduced lunch	8.25%	5.96%	8.42%	10.99%	12.12%	12.12%	11.64%	10%	8.67%	5.30%

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>
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%
2010	19,506	-2.65%

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>
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
2010	95.9	94.3	97.1	83.0

Source: Ohio Department of Education Local Report Cards

** State of Ohio changed statistic to chronically absent students

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Regular Instruction										
Preschool Classroom Teachers	5.00	4.00	4.00	3.60	3.21	3.21	2.88	2.42	2.00	2.00
Preschool Aides	4.40	3.20	3.20	3.80	4.14	4.14	4.60	3.61	3.36	2.32
Elementary Classroom Teachers	31.00	34.50	34.50	34.50	32.93	32.97	32.47	30.47	31.47	29.00
Instructional Assistants	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Art/Music/PE/Technology K-12	15.47	15.05	15.05	15.05	17.18	17.18	17.18	18.16	18.16	18.66
HS/MS Classroom Teachers	57.50	57.50	57.50	57.50	48.30	48.30	47.63	46.64	46.70	49.07
Special Instruction										
Preschool Special Ed.	1.00	0.50	0.50	0.60	1.00	1.00	1.00	1.00	1.00	1.68
ESL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Language Delayed/Cognitive Disabilities	2.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	1.00	0.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00
Deaf/Hard of Hearing	2.00	3.00	3.00	3.00	3.75	4.00	4.00	4.50	5.00	5.00
Intervention Specialists	18.00	15.90	15.90	16.40	15.75	13.00	13.00	14.00	14.00	14.00
Special Ed Assistants	32.57	30.89	30.89	30.40	33.57	34.57	34.97	36.74	33.15	34.05
Gifted Education Teachers	3.00	3.00	3.00	2.07	2.27	2.27	4.00	4.00	4.00	4.00
Vocational Instruction										
High School Classroom Teachers	5.00	5.60	5.60	5.00	6.00	6.00	6.00	6.50	7.50	7.00
Pupil Support Services										
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Librarians	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	3.00	3.00	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	2.50
Audiologist and Speech & Lang	2.50	3.30	3.30	4.60	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	2.10
Educational Interpreters	5.00	6.52	6.52	7.22	7.60	8.42	8.50	9.36	10.00	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	8.00	8.00	8.00	4.75	4.75	4.01	3.41	4.53	2.58	2.32
Administrators/Supervisors										
Central Office	6.00	6.00	6.00	6.00	6.00	6.00	6.00	3.00	4.00	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	3.50
Supervisors	5.00	6.00	6.00	6.00	4.50	4.00	3.00	5.00	4.00	5.00
Community Education Coordinator	-	-	-	-	-	-	-	-	-	0.63
Administrative Support										
Administrative/Office Assistants	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	16.00	16.53
Operation of Plant										
Cleaners	4.08	7.00	7.00	5.00	8.00	9.45	10.40	11.00	11.00	11.00
Custodians	4.00	13.00	13.00	13.00	10.00	10.00	9.00	9.89	9.00	9.00
Maintenance/Grounds	3.00	5.00	5.00	5.00	4.00	4.00	4.00	3.00	3.00	4.00
Pupil Transportation										
Bus Drivers	22.00	19.00	19.00	17.00	18.30	19.86	18.87	14.93	18.15	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	4.60	5.00	5.00	5.00	4.60	4.60	4.60
Technology	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	<u>286.52</u>	<u>296.96</u>	<u>296.96</u>	<u>290.09</u>	<u>289.85</u>	<u>289.98</u>	<u>288.51</u>	<u>286.95</u>	<u>287.27</u>	<u>289.71</u>

Source: District records

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

<u>Degree</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>	<u>2010</u>
Bachelor's Degree	16	21	22	24	14	20	24	27	24	21
Bachelor + 30	6	6	6	8	6	4	2	2	2	2
Master's Degree	84	94	87	92	97	90	86	90	91	95
Master + 30	25	19	20	18	19	26	25	21	20	21
Master + 60	<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>	<u>19</u>
Total	<u>160</u>	<u>163</u>	<u>160</u>	<u>160</u>	<u>157</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>158</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>
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
2010	617	987	1,604

Source: Beachwood City Schools EMIS records

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>
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
2010	113	139	26.1	21.8	20.9

Source: High School Guidance Department
Beachwood City School District

Beachwood City School District
School Report Card
Last Seven 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>
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

N/A - Not Available

(1) 2013 latest information available

(2) 2016-2019 shows component grade

(2) 2010-2015 shows performance index

Source: Ohio Department of Education (ODE)

OHIO AUDITOR OF STATE KEITH FABER



BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2020**