

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

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2016**

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



Dave Yost • Auditor of State

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, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 17, 2017

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

The Honorable Dave Yost
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, 2016, 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 4, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Beachwood City School 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 Beachwood City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Beachwood City School 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 Beachwood City School 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 Beachwood City School 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 *Governmental 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 Beachwood City School 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 Beachwood City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

November 4, 2016

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2016**

The prior audit report, as of June 30, 2015, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEACHWOOD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2016



Prepared by Treasurer's Department

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

24601 Fairmount Boulevard
Beachwood, Ohio 44122-2298

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016
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INTRODUCTORY

SECTION



***BEACHWOOD CITY SCHOOL
DISTRICT***

24601 Fairmount Boulevard
Beachwood, OH 44122

November 4, 2016

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, 2016, 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 1,550 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

2015-2016 Academic Achievements:

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

District Report Card

Beachwood City Schools earned an A overall, as did Hilltop and the middle school individually for our students' achievement. In addition, the middle school and high school earned A's for "Value Added" which is based upon our students' scores on Grades 4 - 8 English/Language Arts and mathematics assessments as well as the new high school English I, English II, Algebra and Geometry tests. We are pleased with these grades, but recognize they are but one snapshot of our students' learning.

Academic Distinctions

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 2016 was 99 percent. Our high school offers 27 Advanced Placement and 21 Honors 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 opportunities.

In its third year, the Medical Academy offered students monthly physician-led seminars on varied medical specialties, the opportunity to join physicians on their hospital "grand rounds," and a summer camp experience where students dissected lungs and hearts, participated in triage simulations in the emergency room, and rotated through the hospital departments. In addition, credit-bearing Anatomy & Physiology and Genetics summer courses were taught by University Hospitals doctors.

The Design & Innovation Program completed its third year and boasts more than 60 students enrolled in its course sequence. Third-year students subdivided into a software engineering focused cohort and a cohort focused more on other engineering disciplines. Next year, these students will join teams of senior engineering students at Cleveland State to take part in project challenges posed by industry partners from the region. In addition, they will receive Ohio college credit, transferrable to any state university, for up to 4 credit hours.

Beachwood's middle and elementary schools have been recognized for excellence in a variety of manners over the past several years. Hilltop Elementary was named a National Blue Ribbon school for the 2015-2016 school year and the middle school was recently redesignated as a National School to Watch and named by the ODE as one of the top 10 middle schools in Ohio. Bryden Elementary, our K-2 building, was honored as an "All A Award" winner based upon students' fall testing results in third grade.

Student and Staff Successes

Beachwood's students competed in a host of state and national competitions during the 2015-2016 school year. Our 8th grade Destination Imagination team placed second out of 72 teams in the international DI Global Finals competition, Beachwood's highest ever finish. Junior Mollie Goldman won first place in the painting category in the annual 11th District Congressional Art Competition and will have her work displayed for the year in the Cannon Congressional Office Building. The High School Robotics Team, FIRST Responders finished third in the state along with their Alliance members from Warren, Dayton and Cleveland. The Beachcomber racked up more than 50 individual and team contest wins, including First Place Overall Web Site and 2nd Place Ranking Overall Newspaper at the Ohio Scholastic Media Association Conference. Junior Swathi Srinivasan placed 2nd in the Biochemistry category at the prestigious Intel International Science and Engineering Fair. Beachwood High School English teacher, Josh Davis, was honored by the Norman Mailer Center with a Creative Non-fiction Writing Award, while Hilltop Math teacher Karen Solonche was recognized as a Greater Cleveland Council of Teachers of Mathematics Outstanding Classroom Teacher for her leadership and innovation in the field.

Athletics

Beachwood's athletic programs continued to shine in 2015-2016. Multiple sports yielded record breaking seasons: boys soccer, cross country, basketball, and baseball. The boys soccer team advanced to the regional finals, the farthest in school history for the second consecutive year and Leah Roter became our most accomplished cross country runner in school history. Eleven athletes earned All-Ohio honors and twelve seniors advanced their athletic and academic careers at the collegiate level. The winter season saw a conference championship for boys basketball and a sectional championship for the boys basketball team. The boys basketball team finished the regular season as the number one ranked team in the State of Ohio. Our indoor track team earned State Runner Up honors, and we crowned 5 members of this team with All State honors. Six swimmers and one wrestler placed at the OHSAA State Championships. Our swim team had it's highest team finish in school history. We had our first diver in school history place 11th at the OHSAA State Championships. Beachwood's track and field team earned its highest finish in school

history, with the girls 4x100 relay winning the state championship and individuals finishing in the top 8 in the 1600, 3200 and 100 meter relay. The baseball teams advanced to the District Championship. Beachwood was proud to boast of 140 student-athletes who earned a 3.5 GPA or higher during the 2015-2016 school year..

Facilities

During the summer of 2016, construction was completed on the new, state-of-the-art Beachwood High School auditorium and the new high school main stadium. Noted theater architects Westlake Reed Leskosky completed a total redesign of the 1974 space. The auditorium will celebrate its grand opening on November 5, 2016 when the world-renowned Cleveland Orchestra will perform for our community. The fall sports season celebrated the opening of the new stadium with a massive "Flip the Switch" home football game under the lights for the first night home game in Beachwood history. More than 1,500 people attended excited to flip the switch.

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2015 financial statements.

Accounting and Budgetary Controls

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

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

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

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

Long-Term Financial Planning

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

GASB Statement 68 "Accounting and Financial Reporting for Pensions" Implementation:

The school district implemented GASB Statement 68 in fiscal year 2015 which had a significant impact on its net position. Historically the school district accounted for pension costs under GASB 27 which focused on a funding approach to pensions. This approach limited pension costs to annual contributions required by law which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earning approach to pension accounting. GASB notes that pension obligations whether funded or

unfunded are part of the “employment exchange”. GASB noted that the unfunded portion of this pension is a present obligation of the government and should be reported by the government as a liability since they receive the benefit of the exchange.

See note 11 in the notes to the financial statements for a more in depth explanation of the financial impact.

Significant Local Economic Events

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

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

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

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

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

Prospects for the Future

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

The State’s budget bill, House Bill 64, which passed in June 2015, contained funding decreases for public schools which collected tangible personal property taxes. The House and Senate provided relatively flat funding for the two year budget bill, however the Governor vetoed this provision and enacted decreases commencing FY 17. The amount of funding loss for the School district is \$2.5 Million dollars by Fiscal

Year 2020. 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 State of Ohio in its pursuit of “choice” in education continues to erode tax dollars earmarked for public education. The State passed a bill with the “Jon Petersen Special Needs Scholarship” provision which allows private entities and private schools to become providers of special education services. Depending on the nature of the identification of the disability these providers will take from \$7,196 to \$27,500 in funding from public schools. The School District receives on average \$767 per student from the State of Ohio for educating all of its students irrespective of disabilities. The original budget bill also contained parity language where public schools would receive no fewer dollars per pupil than the private schools in their district. The Governor also vetoed this provision.

While the State has set a 5% maximum number for students, there is no individual school cap. In Fiscal Year 2016 the School District has \$289,445 approved with more applications submitted. School districts are being further taxed by having its individual education plan team identifying these students which has increased the case loads of staff members.

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

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 2016 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, 2015. (This was the 28th 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,

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, Mr. Robert Marks and Mr. David Ostro along with Mr. Michael Zawatsky (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. Mitchel Luxenburg.....President

Mr. Michael Zawatsky.....Vice President

Dr. Brian Weiss..... Member

Mr. Josh Mintz..... Member

Mr. Steve Rosen Member

Administration

Dr. Robert HardisSuperintendent

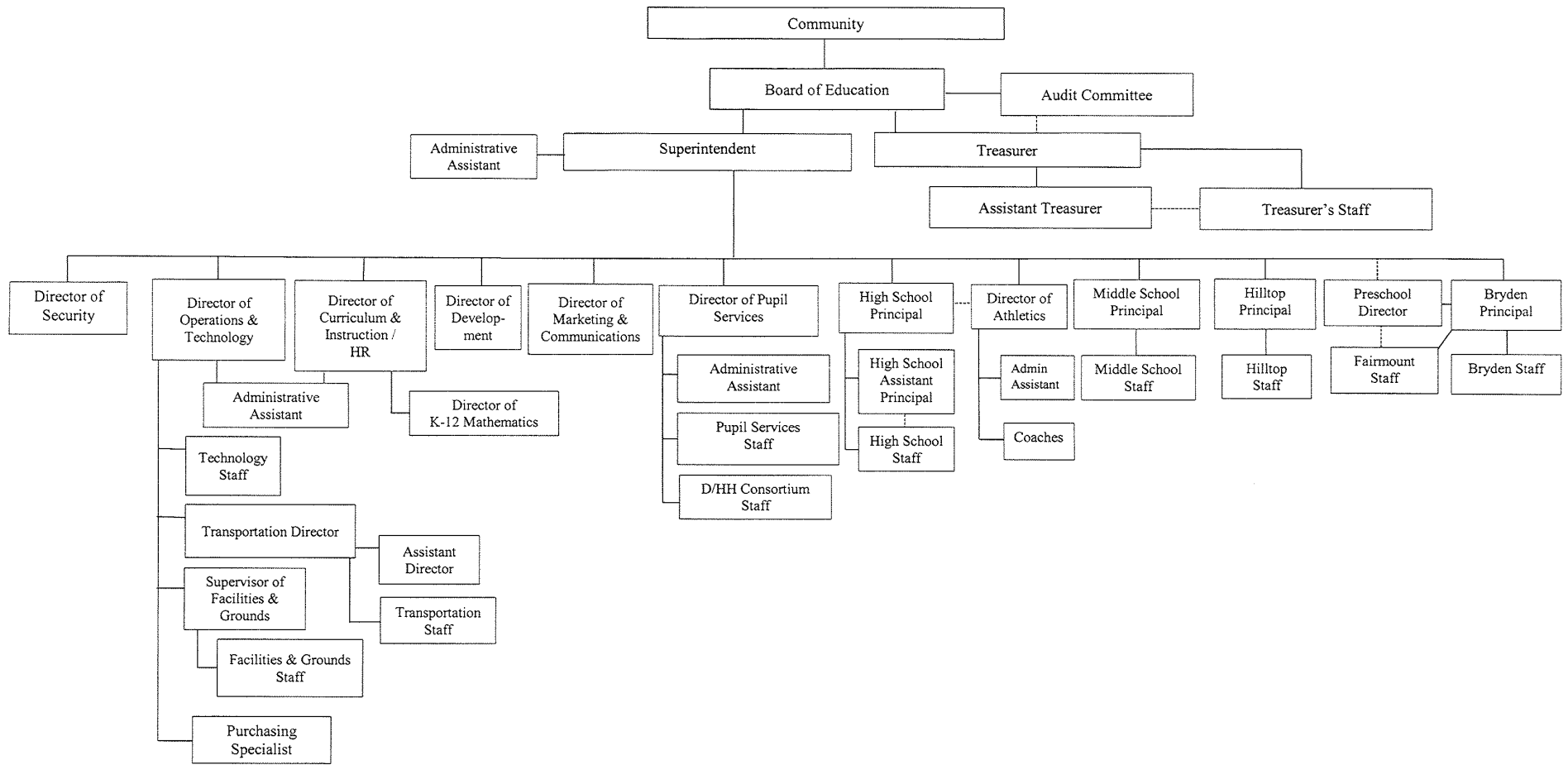
Ms. Michele E. Mills, MBA Treasurer/CFO

Ms. Lauren Broderick Director of Pupil Services

Dr. Ken Veon..... Director of Technology and Operations

Mrs. Linda LoGalbo Director of Human Resources and Curriculum

Mrs. Kathleen StroskiAssistant Treasurer



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 # Effective 08/01/2015



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Beachwood City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL

SECTION

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

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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 Dave Yost
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, 2016, 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, Cuyahoga County, Ohio, as of June 30, 2016, 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 Liabilities and Pension 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 Beachwood City School 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 4, 2016, on our consideration of the Beachwood City School 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 Beachwood City School District's internal control over financial reporting and compliance.



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

November 4, 2016

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
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, 2016. 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 2016 are as follows:

- In total, Net Position increased by \$5,440,907 which represents a 61.2% increase from 2015's net position. The District continues to pay down its outstanding debt and shorten repayment periods. The Middle School bonds were originally set to mature in 2022. Upon refinancing, the bonds will mature in 2021. Net Investment in Capital Assets increased from \$25,923,161 to \$26,560,370.
- Equity in Pooled Cash and Cash equivalents increased by \$2,542,704, as the School district borrowed \$4.8 Million in certificates of participation to finance the main stadium project. The project was in progress at fiscal year-end.
- Accrued wages and benefits decreased by \$269,349 due to the retirement of nineteen staff members who were replaced by staff members who were paid at a lower salary.
- General revenues accounted for \$38,127,498 in revenue or 86.6 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,897,772 or 13.4 percent of total revenues of \$44,025,270.
- The School District had \$38,584,363 in expenses related to governmental activities; only \$5,897,772 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$38,127,498 mostly provided for these programs.
- Total assets of governmental funds increased \$4,695,534 as total liabilities increased by \$389,332 due primarily to the aforementioned settlement of \$1.2M with a taxpayer and also an increase in property taxes receivable.
- The general fund balance increased by \$2,539,799 or 9.1% primarily was a result of increased property tax collections and a settlement with a taxpayer in the amount of \$1.2 million which was reported in miscellaneous revenue.
- The permanent improvement fund balance increased by \$876,040 due to the timing of the district's High School Main Stadium project which occurred primarily over the summer and fall of Fiscal Year 17.
- Among major funds, the general fund had \$34,157,784 in operating revenues and \$31,600,027 in operating expenditures. The general fund's fund balance increased to \$30,391,234 from \$27,851,435.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" 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 accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of these major funds begins on page 28. 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.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2016 compared to 2015:

	Table 1 Governmental Activities	
	<i>2016</i>	<i>2015</i>
Assets		
Current and Other Assets	\$63,625,244	\$59,229,202
Capital Assets	64,770,402	61,907,281
Total Assets	128,395,646	121,136,483
Deferred outflows of resources		
Pension	4,860,569	3,295,525
Liabilities		
Long-Term Liabilities	40,528,965	38,216,588
Net Pension Liabilities	49,746,888	44,469,762
Other Liabilities	4,264,708	4,002,116
Total Liabilities	\$94,540,561	\$86,688,466
Deferred Inflows Of Resources		
Property Taxes	20,597,657	20,858,273
Pension	3,785,110	7,993,289
Total Deferred Inflows of Resources	24,382,767	28,851,562
Net Position		
Net Investment In Capital Assets	26,560,370	25,923,161
Restricted	6,583,452	4,560,481
Unrestricted	(18,810,935)	(21,591,662)
Total Net Position	\$14,332,887	\$8,891,980

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27". 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 pension system is responsible for the administration of the plan.

Beachwood City School District
Management's Discussion and Analysis
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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Total governmental assets and deferred outflows increased by \$8,824,207 while total governmental liabilities and deferred inflows of resources increased by \$3,383,300 resulting in an increase of net position of \$5,440,907.

The increase in governmental assets and deferred outflows is due primarily to an increase in Property Taxes Receivable. In 2016 the property taxes returned to historic levels. The increase in governmental liabilities was due to borrowing \$4.8 Million in certificates of participation to finance the School District's Main Stadium Project. Total liabilities and deferred inflows of resources totaled \$118,923,328 of which 75.9% is long-term liabilities.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Table 2 shows the changes in net position for fiscal year 2015 with revenue and expense comparisons to fiscal year 2016:

	Governmental Activities 2016	Table 2 Governmental Activities 2015
Program Revenues:		
Charges for Services and Sales	\$2,522,404	\$3,752,253
Operating Grants and Contributions	3,375,368	3,494,260
General Revenues:		
Property Taxes	30,469,897	27,731,492
Grants and Entitlements	5,515,570	5,504,910
Investment Earnings	389,609	309,666
Miscellaneous	1,752,422	632,226
Total Revenue	\$44,025,270	\$41,424,807
Program Expenses:		
Instruction:		
Regular	\$12,686,194	\$13,447,648
Special	5,632,796	6,253,498
Vocational	1,250,493	1,399,055
Adult/Continuing	70,675	70,303
Other	289,608	265,444
Support Services:		
Pupil	2,233,497	2,647,582
Instructional Staff	1,836,681	1,920,330
Board of Education	357,340	408,141
Administration	2,276,591	2,334,232
Fiscal	1,167,782	1,061,998
Business	356,635	326,285
Operation of Maintenance and Plant	3,944,032	3,547,759
Pupil Transportation	1,722,149	1,715,068
Central	247,360	188,585
Operation of Non-Instructional Services	1,883,317	1,885,836
Extra-curricular Activities	1,191,246	1,115,356
Interest and Fiscal Charges	1,437,967	1,365,362
Total Expenses	\$38,584,363	\$39,952,482
Change in Net Position	\$5,440,907	\$1,472,325
Beginning Net Position	8,891,980	7,419,655
Ending Net Position	\$14,332,887	8,891,980

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

Beachwood City School District
Management's Discussion and Analysis
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made up 79.72 percent of revenues for governmental activities for the School District in fiscal year 2016.

Instruction comprises 52 percent of governmental program expenses. Interest expense was 3.72 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2015.

	Table 3 – Governmental Activities			
	Total Cost of Services 2016	Net Cost of Services 2016	Total Cost of Services 2015	Net Cost of Services 2015
Instruction	\$19,929,766	\$17,281,464	\$21,435,948	\$17,648,011
Support Services:				
Pupil and Instructional Staff	4,070,178	3,643,375	4,567,912	3,823,909
Board of Education, Administration, Fiscal and Business	4,158,348	4,126,678	4,130,656	4,118,117
Operation and Maintenance of Plant	3,944,032	3,573,758	3,547,759	3,167,484
Pupil Transportation	1,722,149	1,266,880	1,715,068	1,286,640
Central	247,360	243,698	188,585	186,694
Operation of Non-Instructional Services	1,883,317	(31,023)	1,885,836	48,419
Extracurricular Activities	1,191,246	1,143,794	1,115,356	1,060,773
Interest	1,437,967	1,437,967	1,365,362	1,365,362
Total Expenses	\$38,584,363	\$32,686,591	\$39,952,482	\$32,705,969

The dependence upon tax revenues for governmental activities is apparent. Over 86 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is over 84 percent. The community, as a whole, is by far the primary support for the School District's students.

The School District's Funds

Information about the School District's major funds starts on page 28. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$43,987,793 and expenditures of \$44,645,298. The net change in fund balance for the year was most significant in the general fund, with an increase of \$2,539,799 due to an increase in property tax collections and a settlement of \$1.2 Million with a taxpayer.

The net fund balance increased in the bond retirement fund by \$671,758 due to higher collections in property taxes over the previous year.

The permanent improvement fund increased \$876,040 due to the delayed start of the timing of borrowing funds and project implementation for the High School Main Stadium. The School District had several paving projects and roofing repairs.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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 2016, the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual revenue was \$149,183 less than the final budget estimates of \$32,780,511. The School District's ending un-obligated cash balance was \$2,142,997 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction, instructional staff, operations and pupil transportation.

There were nineteen amendments to the original appropriations during fiscal year 2016. The budget increased predominantly due to amendments to the permanent improvement fund budget.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2016, the School District had \$64,770,402 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 8 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2016 balances compared to 2015:

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

	Governmental Activities	
	2016	2015
Construction in Progress	\$4,688,499	\$378,338
Land	978,708	978,708
Land Improvements	1,481,323	1,594,196
Buildings and Improvements	55,580,584	56,806,770
Equipment	1,385,604	1,585,253
Vehicles	655,684	564,016
Totals	\$64,770,402	\$61,907,281

The primary increase in building and improvements is due to the addition of the High School auditorium project.

For fiscal year 2016, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2016, this amounted to \$250,302 for the set aside. For fiscal year 2016, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2016, the School District had \$38,093,126 in bonds and notes outstanding, \$3,068,093 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 14 to the basic financial statements for more detailed information on long-term debt activity.

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, 2016, the School Districts' voted general obligation bonded debt of \$30,766,271 is below the legal limit of \$64,807,043 (voted). In addition, the School District had no un-voted debt at June 30, 2016. 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 on 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, 2016
Unaudited

Table 5 - Outstanding Debt, at Year End

	Governmental Activities 2016	Governmental Activities 2015
General Obligation Bonds		
2010 Tax Anticipation Notes	\$2,335,000	\$2,885,000
2016 Certificates of Participation	4,800,000	0
2016 CoPS Premium	191,855	0
2007 Advanced Refunded Bonds	129,997	129,997
2010 School Improvement Bonds	2,250,000	3,400,000
2010 School Improvement Premium	91,308	136,960
2010 Qualified School Construct Bonds	11,260,000	11,260,000
2012 School Improvement Bonds	830,000	1,650,000
2013 Refunding	5,055,000	5,275,000
2014 Refunding Tax Exempt Bonds	11,149,966	11,149,966
Total	\$38,093,126	\$35,886,923

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, 2016 on a positive note as the administration and Board of Education continued to reduce costs for greater efficiency.

The School District concluded successful negotiations with its Beachwood Union of Support Staff (BUSS) and enjoys positive relationships with the Beachwood Federation of Teachers (BFT) Beachwood Educational Interpreters Union (BEIU).

The School District's current major initiative is to complete a renovation of the High School Main Stadium. The School District is studying consolidating its elementary schools on the Fairmount School site.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the 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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

additional information, contact Michele Mills, MBA, Director of Finance/Treasurer at 216-464-8164 or E-mail at mm@beachwoodschoools.org

BASIC

FINANCIAL

STATEMENTS

Beachwood City Schools

Statement of Net Position

June 30, 2016

	Governmental Activities
ASSETS:	
Equity in Pooled Cash and Cash Equivalents	\$ 34,776,794
Cash and Cash Equivalents in Segregated Accounts	134,873
Materials and Supplies Inventory	88,789
Accrued Interest Receivable	59,876
Accounts Receivable	54,228
Property Taxes Receivable	28,510,684
<i>Total Current Assets</i>	<u>63,625,244</u>
Noncurrent Assets:	
Non-Depreciable Capital Assets	978,708
Depreciable Capital Assets, net	59,103,195
Construction in Progress	4,688,499
<i>Total Noncurrent Assets</i>	<u>64,770,402</u>
<i>Total Assets</i>	<u>128,395,646</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension	4,860,569
<i>TOTAL DEFERRED OUTFLOWS OF RESOURCES</i>	<u>4,860,569</u>
LIABILITIES:	
Accounts Payable	17,214
Accrued Wages and Benefits	2,796,872
Contracts Payable	564,279
Intergovernmental Payable	334,572
Matured Bonds Payable	86,363
Unearned Revenue	908
Claims Payable	464,500
Long-Term Liabilities:	
Due Within One Year	3,220,616
<i>Total Current Liabilities</i>	<u>7,485,324</u>
Noncurrent Liabilities	
Due in More Than One Year	37,308,349
Net Pension Liability	49,746,888
<i>Total Noncurrent Liabilities</i>	<u>87,055,237</u>
<i>Total Liabilities</i>	<u>94,540,561</u>
DEFERRED INFLOWS OF RESOURCES:	
Property Taxes not Levied to Finance Current Year Operations	20,597,657
Pension	3,785,110
<i>TOTAL DEFERRED INFLOWS OF RESOURCES</i>	<u>24,382,767</u>
NET POSITION:	
Net Investment in Capital Assets	26,560,370
Restricted for Debt Service	3,252,718
Restricted for Capital Outlay	2,182,718
Restricted for Other Purposes	1,013,143
Restricted for Set Asides	134,873
Unrestricted	(18,810,935)
<i>Total Net Position</i>	<u>\$ 14,332,887</u>
See Accompanying Notes to the Basic Financial Statements	

Beachwood City Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular	\$ 12,686,194	\$ 187,527	\$ 377,004
Special	5,632,796	162,256	1,137,484
Vocational	1,250,493	456,962	296,470
Adult/Continuing	70,675	4,598	
Other	289,608	26,001	
Support Services:			
Pupils	2,233,497	170,157	245,630
Instructional Staff	1,836,681	9,064	1,952
Board of Education	357,340		
Administration	2,276,591	1,268	9,538
Fiscal	1,167,782	20,199	
Business	356,635	665	
Operation and Maintenance of Plant	3,944,032	337,419	32,855
Pupil Transportation	1,722,149	3,731	451,538
Central	247,360	3,662	
Operation of Non-Instructional/Shared Services:			
Food Service Operations	542,097	388,413	66,309
Community Services	1,341,220	703,030	756,588
Extracurricular Activities	1,191,246	47,452	
Interest and Fiscal Charges	1,437,967		
Total Governmental Activities	38,584,363	2,522,404	3,375,368

General Revenues:

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

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

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

**Governmental
Activities**

\$ (12,121,663)
(4,333,056)
(497,061)
(66,077)
(263,607)

(1,817,710)
(1,825,665)
(357,340)
(2,265,785)
(1,147,583)
(355,970)
(3,573,758)
(1,266,880)
(243,698)

(87,375)
118,398
(1,143,794)
(1,437,967)

(32,686,591)

5,515,570
30,469,897
389,609
1,694,875
57,547

38,127,498

5,440,907

8,891,980

\$ 14,332,887

Beachwood City Schools
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 21,308,610	\$ 2,408,613	\$ 5,639,744
Cash and Cash Equivalents in Segregated Accounts	134,873		
Materials and Supplies Inventory	81,171		
Accrued Interest Receivable	59,876		
Accounts Receivable	42,566		729
Interfund Receivable	1,802,873		
Due From Other Funds	3,215,000		
Property Taxes Receivable	<u>24,533,905</u>	<u>2,941,124</u>	<u>1,035,655</u>
<i>Total Assets</i>	<u>\$ 51,178,874</u>	<u>\$ 5,349,737</u>	<u>\$ 6,676,128</u>
LIABILITIES:			
Accounts Payable	14,723		
Accrued Wages and Benefits	2,534,064		
Contracts Payable			564,279
Interfund Payable			
Due to Other Funds			3,215,000
Intergovernmental Payable	303,030		
Unearned Revenue			
General Obligation Bonds Payable		<u>86,363</u>	
<i>Total Liabilities</i>	<u>2,851,817</u>	<u>86,363</u>	<u>3,779,279</u>
DEFERRED INFLOWS OF RESOURCES:			
Property Taxes not Levied to Finance Current Year Operations	17,872,874	2,010,656	714,127
Unavailable Revenue	<u>62,949</u>	<u>8,134</u>	<u>3,697</u>
<i>TOTAL DEFERRED INFLOWS OF RESOURCES</i>	<u>17,935,823</u>	<u>2,018,790</u>	<u>717,824</u>
FUND BALANCES:			
Nonspendable	81,171		
Restricted	134,873	3,244,584	(2,284,396)
Committed	257,275		4,463,421
Unassigned	<u>29,917,915</u>		
<i>Total Fund Balances</i>	<u>30,391,234</u>	<u>3,244,584</u>	<u>2,179,025</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 51,178,874</u>	<u>\$ 5,349,737</u>	<u>\$ 6,676,128</u>

See Accompanying Notes to the Basic Financial Statements

<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
\$ 3,380,359	\$ 32,737,326	Total Governmental Fund Balances	\$ 37,113,131
	134,873		
7,618	88,789	Amounts reported for governmental activities in the Statement of	
	59,876	Net Position are different because:	
10,933	54,228		
	1,802,873	Capital assets used in governmental activities are not financial	
	3,215,000	resources and therefore, are not reported in the funds:	
	28,510,684	Nondepreciable capital assets	5,667,207
		Depreciable capital assets	59,103,195
<u>\$ 3,398,910</u>	<u>\$ 66,603,649</u>		
		Deferred inflows of resources, including delinquent property tax revenues,	
		and pension expenses are not receivable in the current period and therefore, are not	
		reported in the funds:	
2,491	17,214	Deferred inflows of resources	(3,785,110)
262,808	2,796,872		
	564,279		
1,802,873	1,802,873	Deferred outflows of resources, including pension expenses	
	3,215,000	after the measurement date are not expendable in the current period	4,860,569
31,542	334,572		
908	908	Long term liabilities, including bonds payable, are not due and	
	86,363	payable in the current period and therefore, are not reported	
		in the funds:	
<u>2,100,622</u>	<u>8,818,081</u>	Due within one year	(3,220,616)
		Due within more than one year	(37,308,349)
		Net Pension Liabilities	(49,746,888)
	20,597,657		
	74,780	Internal service funds are used by management to charge the	
		vision, dental and prescription drug, and contingent premium expenses	
<u>0</u>	<u>20,672,437</u>	in the governmental activities in the Statement of Net Position	<u>1,649,748</u>
		Net Position of Governmental Activities	<u>\$ 14,332,887</u>
7,618	88,789		
1,266,574	2,361,635		
24,096	4,744,792		
	29,917,915		
<u>1,298,288</u>	<u>37,113,131</u>		
<u>\$ 3,398,910</u>	<u>\$ 66,603,649</u>		

Beachwood City Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>All Other Governmental Funds</u>
REVENUES:				
Property and Other Local Taxes	\$ 26,114,893	\$ 3,696,849	\$ 620,678	
Intergovernmental	5,746,458	1,006,673	143,007	1,994,800
Interest	328,115		61,495	694
Tuition and Fees	0			1,661,217
Rent	323,512			
Extracurricular Activities	0			70,683
Gifts and Donations	7,914			11,749
Customer Sales and Services	1,349		24,381	418,324
Miscellaneous	1,635,543		117,175	2,284
<i>Total Revenues</i>	<u>34,157,784</u>	<u>4,703,522</u>	<u>966,736</u>	<u>4,159,751</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	11,558,404			69,197
Special	5,061,473			593,047
Vocational	380,094			838,355
Adult/Continuing				72,505
Other	290,116			
Support Services:				
Pupils	1,776,537			329,676
Instructional Staff	1,813,443			17,243
Board of Education	336,313			
Administration	2,262,151			9,778
Fiscal	1,002,126			39
Business	349,582			
Operation and Maintenance of Plant	3,669,451			37,686
Pupil Transportation	1,761,570			
Central	297,574			1,589
Operation of Non-Instructional/Shared Services:				
Food Service Operations				457,522
Community Services	25,480			1,324,771
Extracurricular Activities	1,015,713		8,756	161,808
Capital Outlay:				
Architecture and Engineering Services			197,215	
Building Acquisition and Construction Services			207,180	
Building Improvement Services				299
Other Facilities Acquisition and Construction			4,477,545	
Debt Service:				
Principal		2,740,000		
Interest		1,395,371		
Issuance Costs		105,689		
<i>Total Expenditures</i>	<u>31,600,027</u>	<u>4,241,060</u>	<u>4,890,696</u>	<u>3,913,515</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,557,757</u>	<u>462,462</u>	<u>(3,923,960)</u>	<u>246,236</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In				195,500
General Obligation Bonds Issued			4,800,000	
Premium on Bonds and Notes Issued		209,296		
Inception of Capital Lease	177,542			
Transfers Out	(195,500)			
<i>Total Other Financing Sources and Uses</i>	<u>(17,958)</u>	<u>209,296</u>	<u>4,800,000</u>	<u>195,500</u>
<i>Net Change in Fund Balances</i>	2,539,799	671,758	876,040	441,736
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>27,851,435</u>	<u>2,572,826</u>	<u>1,302,985</u>	<u>856,552</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 30,391,234</u>	<u>\$ 3,244,584</u>	<u>\$ 2,179,025</u>	<u>\$ 1,298,288</u>

See Accompanying Notes to the Basic Financial Statements

<u>Total Governmental Funds</u>		
	Net change in Fund Balances - Total Governmental Funds	\$4,529,333
\$ 30,432,420	Amounts reported for governmental activities in the Statement of Activities are different because:	
8,890,938		
390,304		
1,661,217	Governmental Funds report capital outlays as expenditures.	
323,512	However in the Statement of Activities the cost of those assets is allocated over the estimated useful lives of the assets as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
70,683		
19,663		
444,054		
1,755,002		
	Capital Outlay	5,411,346
	Depreciation	<u>(2,548,225)</u>
<u>43,987,793</u>	Total	<u>2,863,121</u>
	The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, where these amounts are deferred and amortized in the Statement of Activities. The recognition of potential collection of delinquent property taxes are recorded as net inflows on the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,188,435)
11,627,601		
5,654,520		
1,218,449		
72,505		
290,116		
2,106,213		
1,830,686		
336,313		
2,271,929	Contractually required contributions reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	2,814,646
1,002,165		
349,582		
3,707,137		
1,761,570	Except for the amounts reported as deferred inflows/outflows charges in the net pension liability are reported as pension expense in the statement of activities	(2,318,549)
299,163		
457,522		
1,350,251	The internal service funds are used by management and are not reported in the government-wide Statements of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated	
1,186,277	The net revenue (expense) of the internal service fund is allocated among governmental activities.	(172,744)
197,215		
207,180		
299		
4,477,545	Compensated absences reported in the Statement of Activities, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	<u>(86,465)</u>
2,740,000		
1,395,371		
105,689	Changes in Net Position of Governmental Activities	<u>\$ 5,440,907</u>
<u>44,645,298</u>		
<u>(657,505)</u>		
195,500		
4,800,000		
209,296		
177,542		
<u>(195,500)</u>		
<u>5,186,838</u>		
4,529,333		
<u>32,583,798</u>		
<u>\$ 37,113,131</u>		

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 24,255,499	\$ 24,255,499	\$ 24,255,499	\$ -
Intergovernmental	5,809,293	5,809,293	5,747,458	(61,835)
Interest	309,618	309,618	319,798	10,180
Tuition and Fees	307,943	307,943	280,986	(26,957)
Rent	326,743	326,743	323,512	(3,231)
Gifts and Donations	5,500	5,500	7,914	2,414
Customer Sales and Services	148,807	148,807	112,723	(36,084)
Miscellaneous	1,617,108	1,617,108	1,583,438	(33,670)
Total Revenues	<u>32,780,511</u>	<u>32,780,511</u>	<u>32,631,328</u>	<u>(149,183)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	12,468,799	12,031,881	11,587,300	444,581
Special	5,167,217	5,239,617	5,101,322	138,295
Vocational	575,172	490,400	398,539	91,861
Other	325,206	309,739	287,768	21,971
Support Services:				
Pupils	1,915,499	1,898,853	1,805,072	93,781
Instructional Staff	2,235,442	2,105,913	1,811,962	293,951
Board of Education	556,839	450,750	382,338	68,412
Administration	2,472,275	2,439,408	2,261,335	178,073
Fiscal	1,121,056	1,149,918	1,017,066	132,852
Business	463,809	411,886	357,887	53,999
Operation and Maintenance of Plant	3,924,060	4,080,463	3,764,413	316,050
Pupil Transportation	2,099,951	2,075,618	1,777,808	297,810
Central	309,012	354,222	299,496	54,726
Operation of Non-Instructional/Shared Services:				
Community Services	49,007	41,400	25,480	15,920
Extracurricular Activities:				
Academic Oriented Activities	172,009	172,029	161,215	10,814
Sport Oriented Activities	827,353	835,549	813,102	22,447
School and Public Service Co-Curricular Activities	34,694	34,694	29,950	4,744
Total Expenditures	<u>34,717,400</u>	<u>34,122,340</u>	<u>31,882,053</u>	<u>2,240,287</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,936,889)</u>	<u>(1,341,829)</u>	<u>749,275</u>	<u>2,091,104</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	10,100	10,100	10,063	(37)
Refund of Prior Year Expenditures	3,588	3,588	3,588	0
Transfers Out	(319,000)	(266,500)	(214,570)	51,930
Advances Out	0	(500,000)	(500,000)	0
Total Other Financing Sources and Uses	<u>(305,312)</u>	<u>(752,812)</u>	<u>(700,919)</u>	<u>51,893</u>
Net Change in Fund Balances	(2,242,201)	(2,094,641)	48,356	2,142,997
Fund Balance (Deficit) at Beginning of Year	20,635,837	20,635,837	20,635,837	
Prior Year Encumbrances Appropriated	<u>477,637</u>	<u>477,637</u>	<u>477,637</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 18,871,273</u>	<u>\$ 19,018,833</u>	<u>\$ 21,161,830</u>	<u>\$ 2,142,997</u>
See Accompanying Notes to the Basic Financial Statements				

Beachwood City Schools
Statement of Fund Net Position
Proprietary Fund
June 30, 2016

	Governmental Activities - Internal Service Funds
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,039,473
<i>Total Current Assets</i>	2,039,473
<i>Total Assets</i>	2,039,473
LIABILITIES:	
Current Liabilities:	
Claims Payable	464,500
<i>Total Current Liabilities</i>	464,500
<i>Total Liabilities</i>	464,500
NET POSITION:	
Unrestricted	1,574,973
<i>Total Net Position</i>	\$ 1,574,973

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2016

	Governmental Activities - Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 2,788,141
Other Revenues	579,075
	<u>3,367,216</u>
OPERATING EXPENSES:	
Claims	3,539,960
	<u>3,539,960</u>
<i>Total Operating Revenues</i>	<u>3,367,216</u>
<i>Total Operating Expenses</i>	<u>3,539,960</u>
<i>Operating Income (Loss)</i>	<u>(172,744)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(172,744)</u>
<i>Net Change in Net Position</i>	(172,744)
<i>Net Position(Deficit) at Beginning of Year</i>	<u>1,747,717</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>\$ 1,574,973</u></u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2016

	<u>Governmental Activities - Internal Service Fund</u>
<i>Cash Flows from Operating Activities:</i>	
Cash received from self insurance premiums	\$ 3,367,216
Payments for Claims	<u>(3,562,760)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(195,544)</u>
 <i>Cash and Cash Equivalents, Beginning of Year</i>	 <u>2,235,017</u>
<i>Cash and Cash Equivalents, End of Year</i>	<u>\$ 2,039,473</u>
 <i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</i>	
Operating Income	\$ (172,744)
Increase (Decrease) in Liabilities	<u>(22,800)</u>
<i>Net Cash Provided by Operating Activities</i>	<u>\$ (195,544)</u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2016

	<u>Agency Fund</u>
ASSETS:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 787,906
<i>Total Current Assets</i>	<u>787,906</u>
<i>Total Assets</i>	<u><u>787,906</u></u>
LIABILITIES:	
Current Liabilities:	
Undistributed Monies	686,138
Due to Students	<u>101,768</u>
<i>Total Current Liabilities</i>	<u>787,906</u>
<i>Total Liabilities</i>	<u><u>\$ 787,906</u></u>

See Accompanying Notes to the Basic Financial Statements

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 160 certificated teaching personnel, 125 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 2016 fiscal year was 1,550. 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 16 and Note 10B to the basic financial statements. These organizations are:

Jointly Governed Organizations:

Ohio Schools’ Council Association
Lake Geauga Computer Association

Public Entity Risk Pool:

Sheakley Uniservice, Inc. Workers’ Compensation Group Rating Program

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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. Pensions

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

B. Basis of Presentation

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

column. Non-major 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.

C. Fund Accounting

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

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

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

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

Permanent Improvement 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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

student activities and money due to the State retirement systems.

D. Measurement Focus

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

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

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

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

E. 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.

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

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

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 have been reported for the following two items related the District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the District's contributions to the pension systems subsequent to the measurement date.

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, payments in lieu of taxes 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, 2016, but which were levied to finance fiscal year 2017 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 and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

The District also reports a deferred inflow of resources for the net difference between projected and actual earnings on pension plan investments related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

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

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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.

F. Budgetary Data

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

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

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

Encumbrances

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

Lapsing of Appropriations

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

G. 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

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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 2016, investments were limited to FNMA, Federal Farm Credit, FHLM, commercial paper and STAR Ohio.

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

During fiscal year 2016, 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 2016, 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 \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 2016 amounted to \$72,460.

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.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2016, 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.

I. Materials and Supplies Inventory

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

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

J. Restricted Assets

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

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

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

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

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L. 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.

M. 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.

N. Accrued Liabilities and Long-Term Obligations

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

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

O. 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

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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.

P. 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.

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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.

Q. 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.

R. 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.

S. 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 2016.

T. Estimates

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

Note 3 - 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

Beachwood City School District
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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).

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

<u>Net Change in Fund Balance</u>	
	<u>General</u>
GAAP Basis	\$2,539,799
Net adjustments for revenue accruals	(1,690,347)
Net adjustments ` expenditure accruals	(323,459)
Encumbrances outstanding at year end (Budget Basis)	<u>(477,637)</u>
Budget Basis	<u>\$48,356</u>

Note 4 – 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:

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Fund Balances	General	Bond Retirement	Permanent Improvement Fund	Non Major Governmental Funds	Total
<i>Nonspendable</i>					
Inventory	\$ 81,171	\$ -	\$ -	\$7,618	\$88,789
<i>Restricted for</i>					
Budget Stabilization	134,873	0	0	0	134,873
Building Fund	0	0	0	0	0
Food Service Operations	0	0	0	3,836	3,836
Unclaimed Funds	0	0	0	0	0
Expendable Trust Funds	0	0	0	23,864	23,864
Uniform Supplies	0	0	0	1,493	1,493
Marketing School Store	0	0	0	10,688	10,688
Recreation	0	0	0	797	797
Consortium Funds	0	0	0	325,398	325,398
Pupil Support	0	0	0	28,438	28,438
Local Grants	0	0	0	9,014	9,014
Preschool	0	0	0	724,710	724,710
District Managed Student Act.	0	0	0	64,335	64,335
State Grants	0	0	0	60,175	60,175
Federal Grants	0	0	0	13,826	13,826
Bond Retirement	0	3,244,584	0	0	3,244,584
Permanent Improvements	0	0	(2,284,396)	0	(2,284,396)
<i>Total Restricted</i>	134,873	3,244,584	(2,284,396)	1,266,574	2,361,635
<i>Committed</i>					
Encumbrances	257,275	0	4,463,421	24,096	4,744,792
<i>Unassigned</i>					
	29,917,915	0	0	0	29,917,915
<i>Total Fund Balances</i>	\$30,391,234	\$3,244,584	2,179,025	\$1,298,288	\$37,113,131

Encumbrances for the general fund are as follows: \$55,427 for outstanding special education tuition, \$46,458 for legal fees and \$106,022 for utilities and maintenance related expenditures. Permanent improvement encumbrances are related to outstanding building projects.

Beachwood City School District
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Note 5 - Deposits and Investments

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

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

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

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

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

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

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

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 \$11,611,181. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2016, \$3,139,474 of the District's bank balance of \$12,784,255 was exposed to custodial risk as discussed below, while \$9,944,781 was covered by Federal Deposit Insurance Corporation. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

Investments

As of June 30, 2016, the School District had the following 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.

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	Fair Value/NAV	Maturity
Commercial Paper JP Morgan	\$797,464	10/25/2016
Commercial Paper Bank Tokyo	739,816	03/10/2017
Commercial Paper CIB NY	992,440	03/14/2017
Federal Farm Credit	1,000,380	09/21/2018
Federal Home Loan Mortgage	1,000,180	10/22/2018
Federal Home Loan Mortgage	1,000,420	10/29/2018
Federal Home Loan Mortgage	500,135	05/24/2019
Federal Home Loan Mortgage	500,135	10/28/2019
Federal Home Loan Mortgage	1,000,810	03/16/2020
Federal Home Loan Mortgage	625,769	03/23/2020
Federal Home Loan Mortgage	225,056	05/05/2020
Federal Home Loan Mortgage	350,137	05/06/2020
Federal National Mortgage	500,400	03/15/2021
Federal Home Loan Mortgage	1,001,000	03/16/2021
Federal Home Loan Mortgage	625,625	03/30/2021
Federal Home Loan Mortgage	500,260	05/10/2021
Federal Home Loan Mortgage	650,358	05/26/2021
STAR Ohio	12,071,917	33 days
Total	<u>\$24,082,302</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 and Federal National Mortgage Assoc. carry a rating of AA+ by Standard & Poor's, Federal Farm Credits carry a rating of AA+ by Standard & Poor's and STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Commercial Paper must be rated Aaa by Moody's and AAAM by Standard & Poor's. The School District has no investment policy that would further limit its investment choices.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commercial Paper, Federal Home Loan Mortgage, and 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

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trustee.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Mortgage represents 33.1%, Federal National Mortgage 2.1%, Federal Farm Credits 4.2%, Commercial Paper 10.5%, with STAR Ohio representing 50.1% of the School District's total investments.

Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2015, on the assessed value listed as of January 1, 2016, 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 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 become a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 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, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes, which became measurable as of June 30, 2016 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, 2016 was \$6,598,082 for the General Fund, \$852,565 in the Bond Retirement Fund, and \$387,599 in the Permanent Improvement Fund

Beachwood City School District
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The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second- Half Collections		2016 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$334,673,420	47.16%	\$351,919,860	48.87%
Industrial/Commercial	362,270,490	51.05	355,263,310	49.34
Public Utility	12,737,020	1.79	12,895,080	1.79
Total Assessed Value	<u>\$709,680,930</u>	<u>100.00%</u>	<u>\$720,078,250</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation	\$86.40		\$86.40	

Note 7 - Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (rent and student fees), intergovernmental, accrued interest, and loans. All receivables are considered collectible in full because of the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance at 6/30/15	Additions	Reductions	Balance at 6/30/16
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$978,708	\$0	\$0	\$978,708
Construction in Progress	378,338	4,364,762	54,601	4,688,499
Total Assets not being depreciated	<u>1,357,046</u>	<u>4,364,762</u>	<u>54,601</u>	<u>5,667,207</u>
Capital Assets, being depreciated:				
Land Improvements	3,389,063	0	0	3,389,063
Buildings and Buildings				
Improvements	79,297,284	332,062	0	79,629,346
Vehicles	1,976,671	225,872	170,445	2,032,098
Equipment	7,507,646	552,917	126,167	7,934,396
Totals at Historical Cost	<u>92,170,664</u>	<u>1,110,851</u>	<u>296,612</u>	<u>92,984,903</u>
Less Accumulated Depreciation:				
Land Improvements	1,794,867	112,873	0	1,907,740
Buildings and Building				
Improvements	22,490,514	1,558,248	0	24,048,762
Vehicles	1,412,655	134,204	170,445	1,376,414
Equipment	5,922,393	742,900	116,501	6,548,792
Total Accumulated Depreciation	<u>31,620,429</u>	<u>2,548,225</u>	<u>286,946</u>	<u>33,881,708</u>
Total Capital Assets, being Depreciated, Net	<u>60,550,235</u>	<u>(1,437,374)</u>	<u>9,666</u>	<u>59,103,195</u>
Governmental Activities Capital Assets, Net	<u>\$61,907,281</u>	<u>\$2,927,388</u>	<u>\$64,267</u>	<u>\$64,770,402</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	1,491,264
Special	63,650
Adult	4,822
Vocational	58,081
Support Services:	
Pupil	58,956
Instructional Staff	202,012
Board of Education	22,951
Administration	36,260
Fiscal	4,562
Business	12,010
Operation and Maintenance of Plant	184,853
Pupil Transportation	136,983
Central	51,946
Extra-curricular activities	48,551
Food service operations	97,598
Community	73,726
Total Depreciation Expense	<u>\$2,548,225</u>

Beachwood City School District
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Note 9 – Inter-fund Transactions

As of June 30, 2016, on the fund financial statements, the Consortium fund, which is a Non-Major governmental fund, owed the General Fund \$1,802,873. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

During the year ended June 30, 2016, the General fund advanced \$3,215,000 to the Permanent Improvement fund to cover project expenditures.

During the year ended June 30, 2016, the General Fund transferred \$195,500 to Other Non-major Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2016, the School District contracted with Liberty Mutual for property, general liability insurance and boiler and machinery coverage in the amounts of \$96,522,849, \$2,000,000, and \$50,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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

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

B. Workers' Compensation

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

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

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

C. Self-Insurance Program

The self-insurance program for dental 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 Anthem. 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 2016, total claims expense of \$3,539,959 was recognized, which represents actual claims processed and paid as of June 30, 2016. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

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

Year	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
2015	\$89,400	\$2,150,868	\$1,752,968	\$487,300
2016	487,300	3,539,959	3,562,759	\$464,500

Note 11 - 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.

Beachwood City School District
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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.

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)

Plan Description – School 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.

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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 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 year 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 three 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 School 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, 2016, the allocation to pension, death benefits, and Medicare B was 14.0 percent. There was no allocation to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$783,465 for fiscal year 2016. Of this amount \$35,861 is reported as an intergovernmental payable.

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

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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. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 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, member contributions are allocated among investment choices by the member, and employer contributions 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 at age 50.

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 as one defined benefit plan for GASB 68 reporting purposes.

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. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent

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of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,031,181 for fiscal year 2016. Of this amount \$298,708 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, 2015, 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>
Proportionate Share of the Net Pension Liability	0.2034890%	0.14048700%	
Proportion of the Net Pension Liability	<u>0.1893345%</u>	<u>0.14090955%</u>	
Change in Proportionate Share	<u>-0.0141545%</u>	<u>0.0004226%</u>	
Proportionate Share of Net Pension Liability	\$ 10,803,609	\$ 38,943,279	\$ 49,746,888
Pension Expense	\$ 510,309	\$ 1,808,240	\$ 2,318,549

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Difference between expected and actual experience	\$173,958	\$1,775,321	\$1,949,279
Changes in proportion and differences	-	96,644	96,644
School District contributions subsequent to the measurement date	<u>783,465</u>	<u>2,031,181</u>	<u>2,814,646</u>
Total Deferred Outflows of Resources	<u><u>\$957,423</u></u>	<u><u>\$3,903,146</u></u>	<u><u>\$4,860,569</u></u>

Deferred Inflows of Resources:

Net difference between projected and actual earnings on pension plan investments	\$357,959	\$2,800,758	\$3,158,717
Changes in proportion and differences	<u>626,393</u>	<u>-</u>	<u>626,393</u>
Total Deferred Inflows of Resources	<u><u>\$984,352</u></u>	<u><u>\$2,800,758</u></u>	<u><u>\$3,785,110</u></u>

\$2,814,646 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, 2016. 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:			
2017	\$ (295,298)	\$ (607,877)	\$ (903,175)
2018	(295,298)	(607,877)	(903,175)
2019	(426,600)	(607,877)	(1,034,477)
2020	<u>206,802</u>	<u>894,838</u>	<u>1,101,640</u>
Total	<u><u>\$ (810,394)</u></u>	<u><u>\$ (928,793)</u></u>	<u><u>\$ (1,739,187)</u></u>

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

Beachwood City School District
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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, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 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 (7.75 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 7.75 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 (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$14,980,725	\$10,803,609	\$ 7,286,135

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

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Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

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	1% Decrease █ (6.75%)	Current Discount Rate █ (7.75%)	1% Increase █ (8.75%)
School District's proportionate share of the net pension liability	\$54,095,151	\$38,943,279	\$25,982,157

Note 12 – Other Post-Employment Benefits (OPEB)

A. School Employee Retirement System

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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit and other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization, and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescript drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or obtained via 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 the Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health Care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2016, 0 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum, prorated according to service credit earned. For fiscal year 2016, this amount was \$23,000. State statute provides 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 total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$94,787.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$45,603 and \$8,278; 100 percent has been contributed for fiscal years 2015 and 2014.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2016, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2016, 2015, and 2014 were \$41,412, \$41,154, and \$44,939, respectively; 100 percent has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment benefits. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0 and 143,283, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Note 13 - Employee Benefits

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement at rates ranging from 25% to 36% depending on an employee's classification. Certain employees with sick time balances exceeding 275 days shall receive 1/12 of the total accumulated days over 275 according to the negotiated agreement. The number of unused sick days which can accumulate is restricted for certain employees.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

B. Health Care Benefits

The School District provides employee medical and surgical coverage through Medical Mutual. The School District is self-insured for health, vision, prescription drug and dental claims of the School District employees and their covered dependents. Health care claims paid to Medical Mutual were \$2,863,636. The School District received a 3.5 % increase in premium due to fees associated with the affordable care act. Individual stop loss coverage is set at \$100,000.

Note 14 – Long-Term Obligations

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

	Principal Outstanding 6/30/15	Additions	Reduction	Principal Outstanding 6/30/16	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$2,885,000	\$0	\$550,000	\$2,335,000	\$550,000
2016 COPS Premium-	0	209,296	17,441	191,855	17,441
2016 COPS 2.47%	0	4,800,000	0	4,800,000	235,000
Total Long-Term Notes Payable	2,885,000	5,009,296	567,441	7,326,855	802,441
General Obligation Bonds					
2007 Advanced Refunding 4.0% - 4.25%	129,997	0	0	129,997	0
2010 School Improvement 1.25-3.0%	3,400,000	0	1,150,000	2,250,000	1,175,000
2010 School Improvement Premium	136,960	0	45,652	91,308	45,652
2010 QSCB Bonds 5.125%	11,260,000	0	0	11,260,000	0
2012 Refunding 1%-2%	1,650,000	0	820,000	830,000	830,000
2013 Refunding .45-3.05%	5,275,000	0	220,000	5,055,000	215,000
2014 Refunding Tax Exempt 3-3.25%	11,149,966	0	0	11,149,966	0
Total General Obligation Bonds	33,001,923	0	2,235,652	30,766,271	2,265,652
Net Pension Liability:					
STRS	34,171,300	6,859,085	2,087,106	38,943,279	0
SERS	10,298,462	1,974,442	1,469,295	10,803,609	0
Total Net Pension Liability	44,469,762	8,833,527	3,556,401	49,746,888	0
Capital Lease	97,197	177,542	157,833	116,906	57,737
Compensated Absences Payable	2,232,468	184,394	97,929	2,318,933	94,786
Long-Term Liabilities	2,329,665	361,936	255,762	2,435,839	152,523
Total Long-Term Liabilities	\$82,686,350	\$14,204,759	\$6,615,256	\$90,275,853	\$3,220,616

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 which is slated to open in the Fall of 2016.

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

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

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

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

In August 2010, the School District issued \$7,590,000 in tax exempt general obligation bonds with an interest rate of 1.25%-3.0%. The District received a premium of \$319,567

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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. The general fund and consortium fund have been used in prior years to liquidate the net pension liability. See Note 11 to the Basic Financial Statements for more detailed information on net pension liability.

Capital Leases In fiscal year 2015 the School District entered into a capital lease for computers in the amount of \$291,635 at an interest rate of 2.14%. In fiscal year 2016 the School District entered into a capital lease for computers in the amount of \$177,542 at an interest rate of 2.48%. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date as capital assets in the governmental activities of the statement of net position. The capital lease will be repaid from the General fund.

The following summarizes the future minimum lease obligations, the net present value of these minimum lease payments, cost and accumulated depreciation of assets acquired through capital leases as of June 30, 2016.

Fiscal Year Beginning June 30	General Fund
2017	60,636
2018	60,636
Total Minimum Lease Payments	121,272
Less Amount Representing Interest	(4,366)
Present Value of Lease Payments	\$116,906
Capital Assets at Gross Cost:	\$469,177
Less: Accumulated Depreciation	(210,489)
Net Book Value	\$258,688

The School District's overall voted debt margin was \$34,040,772 with an un-voted debt margin of \$720,078 at June 30, 2016.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2016, were as follows:

Fiscal Year Ending	Long-Term		General		Capital Lease		Total	
	Notes Payable/CoPS Principal	Interest*	Obligation Bonds Principal	Interest*	Principal	Interest	Principal	Interest
2017	785,000	411,500	2,220,000	1,078,200	57,737	2,899	3,062,737	1,492,599
2018	920,000	386,475	1,459,997	1,898,514	59,169	1,467	2,439,166	2,286,456
2019	925,000	379,025	2,390,000	1,015,501	0	0	3,315,000	1,394,526
2020	1,065,000	237,288	2,405,000	992,818	0	0	3,470,000	1,230,106
2021	390,000	95,400	2,410,000	964,965	0	0	2,800,000	1,060,365
2022-2026	2,115,000	302,625	11,729,966	4,744,797	0	0	13,844,966	5,047,422
2027-2031	935,000	28,275	7,960,000	837,919	0	0	8,895,000	866,194
2032-2035	0	0	100,000	7,000			100,000	7,000
Total	\$7,135,000	\$1,840,588	\$30,674,963	\$11,539,714	\$116,906	\$4,366	\$37,926,869	\$13,384,668

* \$1,073,500 direct payments from federal government, less 7.2% due to sequestration.

Note 15 - Set-Asides

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

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

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balances as of June 30, 2015	\$0	\$134,873
Set-aside Balance Carried Forward	0	0
Current Year Set-Aside Requirement	250,302	0
Qualifying Disbursements	<u>(4,169,276)</u>	<u>0</u>
Total	<u>(\$3,918,974)</u>	<u>\$134,873</u>
Set-aside Balance Carried Forward to future fiscal years	<u>\$0</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2016	<u>\$0</u>	<u>\$134,873</u>

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 16 – Jointly Governed Organizations

Ohio Schools' Council Association - The Ohio Schools' Council Association (Council) is a jointly governed organization among one hundred twenty one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2016, the School District paid \$140,564 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The OSC's Natural Gas Program supplies natural gas to member districts in Dominion East Ohio (DEO) and Columbia Gas of Ohio (COH) territories. Our current supplier and manager is Compass Energy Gas Services, LLC. In December 2012, OSC extended the base contract for sale and purchase of Natural Gas with Compass Energy Gas Services, LLC from April 1, 2013 until March 31, 2016. The contract was extended from April 1, 2016 until June 30, 2017. This new contract reduced prices \$0.156 per city gate Dth for DEO accounts and \$0.266 per city gate Dth for COH accounts. DEO accounts are priced at the monthly NYMEX LDS price plus \$.242 per city gate Dth and Columbia Gas of Ohio accounts are priced at monthly NYMEX LDS price plus \$.309 per city gate Dth.

In FY16 (July 2015 to June 2016), 151 members saved a total of \$1,164,097.36 on 3,246,081 Mcf of natural gas. The average price of Natural Gas for fiscal year 2015 was \$5.302 Mcf for Columbia Gas of Ohio and \$5.258 Mcf for Dominion East Ohio Gas.

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Lake Geauga Computer Association - The Lake Geauga Computer Association ("LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$48,945 to LGCA during fiscal year 2016.

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

Note 17 - Contingencies

A. Grants

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2016.

B. Litigation

The School District has been named as a defendant in several court cases through the period ended June 30, 2016. 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)

The School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 18 – Contractual Commitments

At June 30, 2016, the School District’s significant contractual commitments which were reported as accounts payable consisted of:

<u>Project</u>	<u>Contract Amount</u>	<u>Amounts Paid to Date</u>	<u>Remaining Contract</u>
HS Auditorium Renovation	3,276,599	2,551,090	725,509
HS Main Stadium Renovation	4,235,000	153,640	4,081,360

Note 19 - Miscellaneous Revenue

During Fiscal Year 2016, the Beachwood City School District Board of Education received unbudgeted revenue in the amount of \$1.2 million dollars as a result of the settlement of litigation regarding the valuation of real property; said revenue has been classified as miscellaneous revenue in the General Fund for Fiscal Year 2016.

Note 20 – Subsequent Event

During Fiscal Year 2016, the Beachwood City School District settled contract negotiations with its support staff (BUSS). The contract is for a three year period commencing July 1, 2016.

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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 Three Fiscal Years

	2015	2014	2013
District's proportion of the net pension liability	0.18933450%	0.2034890%	0.2034890%
Districts proportionate share of the net pension liability	\$ 10,803,609	\$ 10,298,462	\$ 12,100,838
District's covered - employee payroll	\$ 5,596,179	\$ 5,357,285	\$ 5,263,130
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	193.05%	192.23%	229.92%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable

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 Three Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability	0.14090955%	0.14048700%	0.14048700%
Districts proportionate share of the net pension liability	\$ 38,943,279	\$ 34,171,300	\$ 40,704,629
District's covered - employee payroll	\$ 14,500,097	\$ 14,500,097	\$ 14,364,913
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	268.57%	235.66%	283.36%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable

Beachwood City School District
Schedules of Required Supplemental Information

Schedule of District Contributions
School Employees Retirement System (SERS) of Ohio

Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 783,465	\$ 778,586	\$ 742,520	\$ 728,417	\$ 765,115
Contributions in relation to the contractually required contribution	<u>(783,465)</u>	<u>(778,586)</u>	<u>(742,520)</u>	<u>(728,417)</u>	<u>(765,115)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 5,596,179	\$ 4,978,678	\$ 5,357,285	\$ 5,263,130	\$ 6,024,528
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 811,377	\$ 655,527	\$ 535,319	\$ 564,242	\$ 603,684
<u>(811,377)</u>	<u>(655,527)</u>	<u>(535,319)</u>	<u>(564,242)</u>	<u>(603,684)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,454,869	\$ 4,841,411	\$ 5,440,234	\$ 5,745,845	\$ 5,652,472
12.57%	13.54%	9.84%	9.82%	10.68%

Beachwood City School District
Schedules of Required Supplemental Information

Schedule of District Contributions
School Teachers Retirement System (STRS) of Ohio

Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,031,181	\$ 2,141,448	\$ 2,030,014	\$ 2,011,088	\$ 1,900,949
Contributions in relation to the contractually required contribution	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 14,508,436	\$ 14,852,489	\$ 14,500,097	\$ 14,364,913	\$ 14,622,685
Contributions as a percentage of covered-employee payroll	14%	14%	13%	13%	13%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,883,505	\$ 1,834,757	\$ 1,855,764	\$ 1,774,920	\$ 1,540,460
<u>(1,883,505)</u>	<u>(1,834,757)</u>	<u>(1,855,764)</u>	<u>(1,774,920)</u>	<u>(1,540,460)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,488,500	\$ 14,113,515	\$ 14,275,108	\$ 13,653,231	\$ 11,849,692
13%	13%	13%	13%	13%

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2016

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2016, 2015 and 2014.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2016, 2015 and 2014. See the notes to the basic financial statements for the methods assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2016, 2015 and 2014.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2016, 2015 and 2014. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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.

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.

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

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

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

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

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

(continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

Nonmajor Proprietary Fund

Proprietary funds focus on the determination of the changes in net 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 Schools
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ -	\$ 3,380,359	\$ 3,380,359
Materials and Supplies Inventory	0	7,618	7,618
Accounts Receivable	0	10,933	10,933
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 3,398,910</u>	<u>\$ 3,398,910</u>
Accounts Payable	0	2,491	2,491
Accrued Wages and Benefits	0	262,808	262,808
Interfund Payable	0	1,802,873	1,802,873
Intergovernmental Payable	0	31,542	31,542
Unearned Revenue	0	908	908
<i>Total Liabilities</i>	<u>0</u>	<u>2,100,622</u>	<u>2,100,622</u>
FUND BALANCES:			
Nonspendable	0	7,618	7,618
Restricted	0	1,266,574	1,266,574
Committed	0	24,096	24,096
<i>Total Fund Balances</i>	<u>0</u>	<u>1,298,288</u>	<u>1,298,288</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ -</u>	<u>\$ 3,398,910</u>	<u>\$ 3,398,910</u>

Beachwood City Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
REVENUES:			
Intergovernmental	\$ -	\$ 1,994,800	\$ 1,994,800
Interest		694	694
Tuition and Fees		1,661,217	1,661,217
Extracurricular Activities		70,683	70,683
Gifts and Donations		11,749	11,749
Customer Sales and Services		418,324	418,324
Miscellaneous		2,284	2,284
<i>Total Revenues</i>	<u>0</u>	<u>4,159,751</u>	<u>4,159,751</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular		69,197	69,197
Special		593,047	593,047
Vocational		838,355	838,355
Adult/Continuing		72,505	72,505
Support Services:			
Pupils		329,676	329,676
Instructional Staff	655	16,588	17,243
Administration		9,778	9,778
Fiscal		39	39
Operation and Maintenance of Plant		37,686	37,686
Central		1,589	1,589
Operation of Non-Instructional/Shared Services:			
Food Service Operations		457,522	457,522
Community Services		1,324,771	1,324,771
Extracurricular Activities		(276)	(276)
Extracurricular Activities:			
Academic Oriented Activities		60	60
Sport Oriented Activities		162,024	162,024
Capital Outlay:			
Building Improvement Services	299	0	299
<i>Total Expenditures</i>	<u>954</u>	<u>3,912,561</u>	<u>3,913,515</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(954)</u>	<u>247,190</u>	<u>246,236</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	0	195,500	195,500
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>195,500</u>	<u>195,500</u>
<i>Net Change in Fund Balances</i>	(954)	442,690	441,736
<i>Fund Balance (Deficit) at Beginning of Year</i>	954	855,598	856,552
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ -</u>	<u>\$ 1,298,288</u>	<u>\$ 1,298,288</u>

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform Supplies</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 6,978	\$ 23,864	\$ 1,493
Materials and Supplies Inventory	7,618		
Accounts Receivable	358		
<i>Total Assets</i>	<u>\$ 14,954</u>	<u>\$ 23,864</u>	<u>\$ 1,493</u>
LIABILITIES:			
Accounts Payable	76		
Accrued Wages and Benefits			
Interfund Payable			
Intergovernmental Payable			
Unearned Revenue	908	0	0
<i>Total Liabilities</i>	<u>984</u>	<u>0</u>	<u>0</u>
FUND BALANCES:			
Nonspendable	7,618		
Restricted	3,836	23,864	1,493
Committed	2,516		
<i>Total Fund Balances</i>	<u>13,970</u>	<u>23,864</u>	<u>1,493</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 14,954</u>	<u>\$ 23,864</u>	<u>\$ 1,493</u>

<u>Marketing School Store</u>	<u>Recreation</u>	<u>Consortium</u>	<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>
\$ 10,688	\$ 1,775	\$ 2,359,893	\$ 28,438	\$ 9,014	\$ 779,324	\$ 73,877
		9,978			597	
<u>\$ 10,688</u>	<u>\$ 1,775</u>	<u>\$ 2,369,871</u>	<u>\$ 28,438</u>	<u>\$ 9,014</u>	<u>\$ 779,921</u>	<u>\$ 73,877</u>
		670			1,621	124
	860	214,334			42,429	
	118	1,802,873			4,675	
		26,039				
<u>0</u>	<u></u>	<u></u>	<u>0</u>	<u>0</u>	<u></u>	<u></u>
<u>0</u>	<u>978</u>	<u>2,043,916</u>	<u>0</u>	<u>0</u>	<u>48,725</u>	<u>124</u>
10,688	797	325,398	28,438	9,014	724,710	64,335
		557			6,486	9,418
<u>10,688</u>	<u>797</u>	<u>325,955</u>	<u>28,438</u>	<u>9,014</u>	<u>731,196</u>	<u>73,753</u>
<u>\$ 10,688</u>	<u>\$ 1,775</u>	<u>\$ 2,369,871</u>	<u>\$ 28,438</u>	<u>\$ 9,014</u>	<u>\$ 779,921</u>	<u>\$ 73,877</u>

Beachwood City Schools
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

	<u>Auxiliary Services</u>	<u>One Net</u>	<u>IDEA B</u>
ASSETS:			
Equity in Pooled Cash and Cash Equivalents	\$ 71,039	\$ 8,157	\$ 5,669
Materials and Supplies Inventory			
Accounts Receivable			
<i>Total Assets</i>	<u>\$ 71,039</u>	<u>\$ 8,157</u>	<u>\$ 5,669</u>
LIABILITIES:			
Accounts Payable			
Accrued Wages and Benefits	5,185		
Interfund Payable			
Intergovernmental Payable	710		
Unearned Revenue		0	0
<i>Total Liabilities</i>	<u>5,895</u>	<u>0</u>	<u>0</u>
FUND BALANCES:			
Nonspendable			
Restricted	60,175	8,157	5,669
Committed	4,969		
<i>Total Fund Balances</i>	<u>65,144</u>	<u>8,157</u>	<u>5,669</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 71,039</u>	<u>\$ 8,157</u>	<u>\$ 5,669</u>

<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ -	\$ -	\$ -	\$ 150	\$ 3,380,359
				7,618
				10,933
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 3,398,910</u>
				2,491
				262,808
				1,802,873
				31,542
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>908</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,100,622</u>
				7,618
<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>1,266,574</u>
				24,096
<u>0</u>	<u>0</u>	<u>0</u>	<u>150</u>	<u>1,298,288</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 3,398,910</u>

Beachwood City Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform Supplies</u>
REVENUES:			
Intergovernmental	\$ 64,025	\$ -	\$ -
Interest	230	10	
Tuition and Fees			
Extracurricular Activities			
Gifts and Donations		372	
Customer Sales and Services	386,341	39	
Miscellaneous	1,942		
	<u>452,538</u>	<u>421</u>	<u>0</u>
<i>Total Revenues</i>			
EXPENDITURES:			
Current:			
Instruction:			
Regular			
Special			
Vocational			
Adult/Continuing			
Support Services:			
Pupils		67	
Instructional Staff			
Administration			
Fiscal		39	
Operation and Maintenance of Plant			
Central			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	457,522		
Community Services			
Extracurricular Activities			
	<u>457,522</u>	<u>106</u>	<u>0</u>
<i>Total Expenditures</i>			
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,984)</u>	<u>315</u>	<u>0</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	10,000	0	0
	<u>10,000</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources and Uses</i>			
<i>Net Change in Fund Balances</i>	5,016	315	0
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>8,954</u>	<u>23,549</u>	<u>1,493</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 13,970</u>	<u>\$ 23,864</u>	<u>\$ 1,493</u>

<u>Marketing School Store</u>	<u>Recreation</u>	<u>Consortium</u>	<u>Pupil Support</u>	<u>Misc. Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>
\$ -	\$ -	\$ 735,603	\$ -	\$ -	\$ -	\$ -
23,231		959,916			701,301	47,452
	4,598	18,435	11,377	6,500	275	
			2,136			
			342			
<u>23,231</u>	<u>4,598</u>	<u>1,713,954</u>	<u>13,855</u>	<u>6,500</u>	<u>701,576</u>	<u>47,452</u>
25,430	72,505	307,218	18,904	986		
		812,925	8,179			
		220,392				
		9,778				
		37,686			1,589	
					593,503	161,808
<u>25,430</u>	<u>72,505</u>	<u>1,387,999</u>	<u>27,083</u>	<u>986</u>	<u>595,092</u>	<u>161,808</u>
<u>(2,199)</u>	<u>(67,907)</u>	<u>325,955</u>	<u>(13,228)</u>	<u>5,514</u>	<u>106,484</u>	<u>(114,356)</u>
<u>0</u>	<u>65,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
<u>0</u>	<u>65,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
(2,199)	(2,407)	325,955	(13,228)	5,514	106,484	5,644
<u>12,887</u>	<u>3,204</u>	<u>0</u>	<u>41,666</u>	<u>3,500</u>	<u>624,712</u>	<u>68,109</u>
<u>\$ 10,688</u>	<u>\$ 797</u>	<u>\$ 325,955</u>	<u>\$ 28,438</u>	<u>\$ 9,014</u>	<u>\$ 731,196</u>	<u>\$ 73,753</u>

Beachwood City Schools
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

	Auxiliary Services	One Net	IDEA B
REVENUES:			
Intergovernmental	\$ 682,582	\$ 7,200	\$ 342,558
Interest	454		
Tuition and Fees			
Extracurricular Activities			
Gifts and Donations			
Customer Sales and Services			
Miscellaneous			
<i>Total Revenues</i>	<u>683,036</u>	<u>7,200</u>	<u>342,558</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular			49,307
Special			128,699
Vocational			
Adult/Continuing			
Support Services:			
Pupils			109,217
Instructional Staff		14,098	
Administration			
Fiscal			
Operation and Maintenance of Plant			
Central			
Operation of Non-Instructional/Shared Services:			
Food Service Operations			
Community Services	657,628		61,850
Extracurricular Activities			
<i>Total Expenditures</i>	<u>657,628</u>	<u>14,098</u>	<u>349,073</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>25,408</u>	<u>(6,898)</u>	<u>(6,515)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources and Uses</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	25,408	(6,898)	(6,515)
<i>Fund Balance (Deficit) at Beginning of Year</i>	<u>39,736</u>	<u>15,055</u>	<u>12,184</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$ 65,144</u>	<u>\$ 8,157</u>	<u>\$ 5,669</u>

<u>Title III</u>	<u>Title I</u>	<u>Preschool Handicapped Grant</u>	<u>Title II-A</u>	<u>Total Nonmajor Special Revenue</u>
\$ 13,251	\$ 116,608	\$ 10,281	\$ 22,692	\$ 1,994,800
				694
				1,661,217
				70,683
				11,749
				418,324
				2,284
<u>13,251</u>	<u>116,608</u>	<u>10,281</u>	<u>22,692</u>	<u>4,159,751</u>
				69,197
12,701	105,367	10,281	20,602	593,047
				838,355
				72,505
				329,676
550			1,940	16,588
				9,778
				39
				37,686
				1,589
				457,522
	11,790			1,324,771
				161,808
<u>13,251</u>	<u>117,157</u>	<u>10,281</u>	<u>22,542</u>	<u>3,912,561</u>
<u>0</u>	<u>(549)</u>	<u>0</u>	<u>150</u>	<u>247,190</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>195,500</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>195,500</u>
	(549)		150	442,690
<u>0</u>	<u>549</u>	<u>0</u>	<u>0</u>	<u>855,598</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 1,298,288</u>

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets when a governmental unit is functioning either as a trustee or an agent for another party. Because the governmental unit is functioning in a fiduciary capacity, the authority to employ, dispose of, or otherwise use the assets is determined not by a legislative body or oversight board but by the public laws and private agreements that create the agency relationship.

Agency Funds:

Student Activities - This fund accounts for the resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Retirement - This fund accounts for the difference between retirement paid to the state retirement systems and the actual amount due to the retirement system. This fund also accounts for any provisions of an early retirement incentive.

Beachwood City Schools
Combining Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Retirement				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 593,093	\$ 2,293,304	\$ 2,200,259	\$ 686,138
Total Assets	<u>\$ 593,093</u>	<u>\$ 2,293,304</u>	<u>\$ 2,200,259</u>	<u>\$ 686,138</u>
LIABILITIES:				
Undistributed Monies	\$ 593,093	\$ 2,293,304	\$ 2,200,259	\$ 686,138
Total Liabilities	<u>\$ 593,093</u>	<u>\$ 2,293,304</u>	<u>\$ 2,200,259</u>	<u>\$ 686,138</u>
Student Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 107,782	\$ 154,605	\$ 160,619	\$ 101,768
Total Assets	<u>\$ 107,782</u>	<u>\$ 154,605</u>	<u>\$ 160,619</u>	<u>\$ 101,768</u>
LIABILITIES:				
Due to Students	\$ 107,782	\$ 154,605	\$ 160,619	\$ 101,768
Total Liabilities	<u>\$ 107,782</u>	<u>\$ 154,605</u>	<u>\$ 160,619</u>	<u>\$ 101,768</u>
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 700,875	\$ 2,447,909	\$ 2,360,878	\$ 787,906
Total Assets	<u>\$ 700,875</u>	<u>\$ 2,447,909</u>	<u>\$ 2,360,878</u>	<u>\$ 787,906</u>
LIABILITIES:				
Undistributed Monies	\$ 593,093	\$ 2,293,304	\$ 2,200,259	\$ 686,138
Due to Students	107,782	154,605	160,619	101,768
Total Liabilities	<u>\$ 700,875</u>	<u>\$ 2,447,909</u>	<u>\$ 2,360,878</u>	<u>\$ 787,906</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 24,255,499	\$ 24,255,499	\$ 24,255,499	\$ -
Intergovernmental	5,809,293	5,809,293	5,747,458	(61,835)
Interest	309,618	309,618	319,798	10,180
Tuition and Fees	307,943	307,943	280,986	(26,957)
Rent	326,743	326,743	323,512	(3,231)
Gifts and Donations	5,500	5,500	7,914	2,414
Customer Sales and Services	148,807	148,807	112,723	(36,084)
Miscellaneous	1,617,108	1,617,108	1,583,438	(33,670)
Total Revenues	32,780,511	32,780,511	32,631,328	(149,183)
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	8,966,086	8,552,666	8,313,321	239,345
Fringe Benefits	2,653,387	2,508,870	2,467,766	41,104
Purchased Services	373,791	377,344	321,294	56,050
Materials and Supplies	293,031	333,436	277,638	55,798
Other	76,475	84,901	37,293	47,608
Capital Outlay	106,029	174,664	169,988	4,676
Total - Regular	12,468,799	12,031,881	11,587,300	444,581
Special				
Salaries	2,529,142	2,663,958	2,638,155	25,803
Fringe Benefits	982,476	984,075	977,454	6,621
Purchased Services	1,608,232	1,545,090	1,467,304	77,786
Materials and Supplies	35,663	34,790	15,425	19,365
Capital Outlay	11,704	11,704	2,984	8,720
Total - Special	5,167,217	5,239,617	5,101,322	138,295
Vocational				
Purchased Services	556,772	472,000	389,267	82,733
Materials and Supplies	2,000	2,000		2,000
Other	16,400	16,400	9,272	7,128
Total - Vocational	575,172	490,400	398,539	91,861
Other				
Salaries	29,038	41,038	40,934	104
Fringe Benefits	57,801	54,801	37,956	16,845
Purchased Services	227,867	203,400	201,842	1,558
Other	10,500	10,500	7,036	3,464
Total - Other	325,206	309,739	287,768	21,971
Total - Instruction:	18,536,394	18,071,637	17,374,929	696,708

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,329,971	1,301,124	1,278,438	22,686
Fringe Benefits	434,007	440,873	401,088	39,785
Purchased Services	129,488	136,311	114,257	22,054
Materials and Supplies	18,787	17,326	9,679	7,647
Other	819	819	135	684
Capital Outlay	2,427	2,400	1,475	925
Total - Pupils	<u>1,915,499</u>	<u>1,898,853</u>	<u>1,805,072</u>	<u>93,781</u>
Instructional Staff				
Salaries	1,053,202	1,093,202	1,089,841	3,361
Fringe Benefits	380,551	379,315	346,422	32,893
Purchased Services	340,470	305,029	239,007	66,022
Materials and Supplies	134,237	130,335	64,518	65,817
Other	2,930	2,841	89	2,752
Capital Outlay	324,052	195,191	72,085	123,106
Total - Instructional Staff	<u>2,235,442</u>	<u>2,105,913</u>	<u>1,811,962</u>	<u>293,951</u>
Board of Education				
Salaries	18,540	18,540	13,250	5,290
Fringe Benefits	2,847	3,847	2,605	1,242
Purchased Services	496,970	389,447	339,767	49,680
Materials and Supplies	2,866	3,800	3,280	520
Other	32,916	32,916	21,716	11,200
Capital Outlay	2,700	2,200	1,720	480
Total - Board of Education	<u>556,839</u>	<u>450,750</u>	<u>382,338</u>	<u>68,412</u>
Administration				
Salaries	1,511,811	1,507,844	1,442,399	65,445
Fringe Benefits	702,999	705,442	664,883	40,559
Purchased Services	143,434	135,893	74,018	61,875
Materials and Supplies	22,820	23,024	17,727	5,297
Other	65,317	40,423	36,842	3,581
Capital Outlay	25,894	26,782	25,466	1,316
Total - Administration	<u>2,472,275</u>	<u>2,439,408</u>	<u>2,261,335</u>	<u>178,073</u>
Fiscal				
Salaries	342,861	372,861	371,851	1,010
Fringe Benefits	147,876	149,876	148,536	1,340
Purchased Services	30,030	33,553	32,764	789
Materials and Supplies	9,822	8,561	8,145	416
Other	586,467	583,467	454,272	129,195
Capital Outlay	4,000	1,600	1,498	102
Total - Fiscal	<u>1,121,056</u>	<u>1,149,918</u>	<u>1,017,066</u>	<u>132,852</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	185,512	174,161	168,798	5,363
Fringe Benefits	75,762	82,254	64,643	17,611
Purchased Services	172,298	142,311	123,359	18,952
Materials and Supplies	28,055	11,844	772	11,072
Other	1,182	316	315	1
Capital Outlay	1,000	1,000	0	1,000
Total - Business	463,809	411,886	357,887	53,999
Operation and Maintenance of Plant				
Salaries	1,160,026	1,220,026	1,174,530	45,496
Fringe Benefits	508,592	508,592	485,348	23,244
Purchased Services	1,978,413	2,043,339	1,816,418	226,921
Materials and Supplies	225,633	201,793	182,625	19,168
Other	0	35	35	0
Capital Outlay	51,396	106,678	105,457	1,221
Total - Operation and Maintenance of Plant	3,924,060	4,080,463	3,764,413	316,050
Pupil Transportation				
Salaries	1,104,496	1,093,993	974,271	119,722
Fringe Benefits	437,001	437,176	396,085	41,091
Purchased Services	111,851	100,299	89,244	11,055
Materials and Supplies	278,903	285,050	161,140	123,910
Other	500	500	0	500
Capital Outlay	167,200	158,600	157,068	1,532
Total - Pupil Transportation	2,099,951	2,075,618	1,777,808	297,810
Central				
Salaries	117,225	147,225	143,304	3,921
Fringe Benefits	43,657	63,657	51,778	11,879
Purchased Services	121,299	117,563	89,320	28,243
Materials and Supplies	20,135	19,681	11,032	8,649
Other	5,696	5,696	4,062	1,634
Capital Outlay	1,000	400	0	400
Total - Central	309,012	354,222	299,496	54,726
Total - Support Services:	15,097,943	14,967,031	13,477,377	1,489,654
Operation of Non-Instructional/Shared Services:				
Community Services				
Purchased Services	30,236	20,000	19,247	753
Materials and Supplies	18,771	12,000	3,221	8,779
Other	0	9,400	3,012	6,388
Total - Community Services	49,007	41,400	25,480	15,920
Total - Operation of Non-Instructional/Shared Services:	49,007	41,400	25,480	15,920

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	145,483	145,483	137,108	8,375
Fringe Benefits	26,526	26,526	24,087	2,439
Other	0	20	20	0
Total - Academic Oriented Activities	<u>172,009</u>	<u>172,029</u>	<u>161,215</u>	<u>10,814</u>
Sport Oriented Activities				
Salaries	638,655	646,655	636,680	9,975
Fringe Benefits	188,698	188,894	176,422	12,472
Total - Sport Oriented Activities	<u>827,353</u>	<u>835,549</u>	<u>813,102</u>	<u>22,447</u>
School and Public Service Co-Curricular Activities				
Salaries	29,930	29,930	25,872	4,058
Fringe Benefits	4,764	4,764	4,078	686
Total - School and Public Service Co-Curricular	<u>34,694</u>	<u>34,694</u>	<u>29,950</u>	<u>4,744</u>
Total - Extracurricular Activities:	<u>1,034,056</u>	<u>1,042,272</u>	<u>1,004,267</u>	<u>38,005</u>
Total Expenditures	<u>34,717,400</u>	<u>34,122,340</u>	<u>31,882,053</u>	<u>2,240,287</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,936,889)</u>	<u>(1,341,829)</u>	<u>749,275</u>	<u>2,091,104</u>
OTHER FINANCING SOURCES AND USES:				
Proceeds from Sale of Capital Assets	10,100	10,100	10,063	(37)
Refund of Prior Year Expenditures	3,588	3,588	3,588	0
Transfers Out	(319,000)	(266,500)	(214,570)	51,930
Advances Out	0	(500,000)	(500,000)	0
Total Other Financing Sources and Uses	<u>(305,312)</u>	<u>(752,812)</u>	<u>(700,919)</u>	<u>51,893</u>
Net Change in Fund Balances	(2,242,201)	(2,094,641)	48,356	2,142,997
Fund Balance (Deficit) at Beginning of Year	20,635,837	20,635,837	20,635,837	
Prior Year Encumbrances Appropriated	<u>477,637</u>	<u>477,637</u>	<u>477,637</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 18,871,273</u>	<u>\$ 19,018,833</u>	<u>\$ 21,161,830</u>	<u>\$ 2,142,997</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 3,360,136	\$ 3,468,358	\$ 108,222
Intergovernmental	999,219	1,006,673	7,454
Total Revenues	<u>4,359,355</u>	<u>4,475,031</u>	<u>115,676</u>
EXPENDITURES:			
Debt Service:			
Principal	2,740,000	2,740,000	0
Interest	1,395,371	1,395,371	0
Issuance Costs	105,689	105,689	0
Total Expenditures	<u>4,241,060</u>	<u>4,241,060</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>118,295</u>	<u>233,971</u>	<u>115,676</u>
OTHER FINANCING SOURCES AND USES:			
Premium on Bonds and Notes Issued	209,296	209,296	0
Total Other Financing Sources and Uses	<u>209,296</u>	<u>209,296</u>	<u>0</u>
Net Change in Fund Balances	327,591	443,267	115,676
Fund Balance (Deficit) at Beginning of Year	<u>1,965,346</u>	<u>1,965,346</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,292,937</u>	<u>\$ 2,408,613</u>	<u>\$ 115,676</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 480,000	\$ 479,821	\$ (179)
Intergovernmental	135,660	143,007	7,347
Interest	25,000	61,495	36,495
Customer Sales and Services	23,076	24,381	1,305
Miscellaneous	0	116,446	116,446
Total Revenues	<u>663,736</u>	<u>825,150</u>	<u>161,414</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Sport Oriented Activities			
Capital Outlay	31,859	24,931	6,928
Total - Sport Oriented Activities	<u>31,859</u>	<u>24,931</u>	<u>6,928</u>
Total - Extracurricular Activities:	<u>31,859</u>	<u>24,931</u>	<u>6,928</u>
Capital Outlay:			
Architecture and Engineering Services			
Capital Outlay	488,465	488,465	0
Total - Architecture and Engineering Services	<u>488,465</u>	<u>488,465</u>	<u>0</u>
Building Acquisition and Construction Services			
Capital Outlay	242,850	242,850	0
Total - Building Acquisition and Construction Services	<u>242,850</u>	<u>242,850</u>	<u>0</u>
Other Facilities Acquisition and Construction			
Purchased Services	215,692	215,692	0
Capital Outlay	8,398,634	8,398,324	310
Total - Other Facilities Acquisition and Construction	<u>8,614,326</u>	<u>8,614,016</u>	<u>310</u>
Total - Capital Outlay:	<u>9,345,641</u>	<u>9,345,331</u>	<u>310</u>
Total Expenditures	<u>9,377,500</u>	<u>9,370,262</u>	<u>7,238</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,713,764)</u>	<u>(8,545,112)</u>	<u>168,652</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	500,000	500,000	0
General Obligation Bonds Issued	4,800,000	4,800,000	0
Total Other Financing Sources and Uses	<u>5,300,000</u>	<u>5,300,000</u>	<u>0</u>
Net Change in Fund Balances	<u>(3,413,764)</u>	<u>(3,245,112)</u>	<u>168,652</u>
Fund Balance (Deficit) at Beginning of Year	3,367,064	3,367,064	
Prior Year Encumbrances Appropriated	<u>490,121</u>	<u>490,121</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 443,421</u>	<u>\$ 612,073</u>	<u>\$ 168,652</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	\$ 655	\$ 655	\$ -
Capital Outlay:			
Building Improvement Services	<u>299</u>	<u>299</u>	<u>0</u>
Total Expenditures	<u>954</u>	<u>954</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(954)</u>	<u>(954)</u>	<u>0</u>
Net Change in Fund Balances	(954)	(954)	0
Fund Balance (Deficit) at Beginning of Year	655	655	
Prior Year Encumbrances Appropriated	<u>299</u>	<u>299</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 79,523	\$ 66,309	\$ (13,214)
Interest	25	230	205
Customer Sales and Services	415,500	386,411	(29,089)
Miscellaneous	<u>5,000</u>	<u>1,773</u>	<u>(3,227)</u>
Total Revenues	<u>500,048</u>	<u>454,723</u>	<u>(45,325)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	<u>524,636</u>	<u>460,337</u>	<u>64,299</u>
Total Expenditures	<u>524,636</u>	<u>460,337</u>	<u>64,299</u>
Excess of Revenues Over (Under) Expenditures	<u>(24,588)</u>	<u>(5,614)</u>	<u>18,974</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>25,000</u>	<u>10,000</u>	<u>(15,000)</u>
Total Other Financing Sources and Uses	<u>25,000</u>	<u>10,000</u>	<u>(15,000)</u>
Net Change in Fund Balances	<u>412</u>	<u>4,386</u>	<u>3,974</u>
Fund Balance (Deficit) at End of Year	<u>\$ 412</u>	<u>\$ 4,386</u>	<u>\$ 3,974</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Funds
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 1	\$ 10	\$ 9
Gifts and Donations	50	372	322
Customer Sales and Services	<u>250</u>	<u>39</u>	<u>(211)</u>
Total Revenues	<u>301</u>	<u>421</u>	<u>120</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils	11,942	67	11,875
Instructional Staff	1,832		1,832
Fiscal	<u>3,068</u>	<u>39</u>	<u>3,029</u>
Total Expenditures	<u>16,842</u>	<u>106</u>	<u>16,736</u>
Excess of Revenues Over (Under) Expenditures	<u>(16,541)</u>	<u>315</u>	<u>16,856</u>
OTHER FINANCING SOURCES AND USES:			
Transfers Out	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
Total Other Financing Sources and Uses	<u>(1,000)</u>	<u>0</u>	<u>1,000</u>
Net Change in Fund Balances	(17,541)	315	17,856
Fund Balance (Deficit) at Beginning of Year	<u>23,547</u>	<u>23,547</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 6,006</u>	<u>\$ 23,862</u>	<u>\$ 17,856</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform Supplies
For the Fiscal Year Ended June 30, 2016

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

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Marketing School Store
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 30,000	\$ 23,231	\$ (6,769)
Total Revenues	<u>30,000</u>	<u>23,231</u>	<u>(6,769)</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational	<u>30,000</u>	<u>25,430</u>	<u>4,570</u>
Total Expenditures	<u>30,000</u>	<u>25,430</u>	<u>4,570</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>(2,199)</u>	<u>(2,199)</u>
Net Change in Fund Balances	0	(2,199)	(2,199)
Fund Balance (Deficit) at Beginning of Year	<u>12,887</u>	<u>12,887</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 12,887</u>	<u>\$ 10,688</u>	<u>\$ (2,199)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 7,000	\$ 4,598	\$ (2,402)
Total Revenues	<u>7,000</u>	<u>4,598</u>	<u>(2,402)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing	<u>84,950</u>	<u>72,505</u>	<u>12,445</u>
Total Expenditures	<u>84,950</u>	<u>72,505</u>	<u>12,445</u>
Excess of Revenues Over (Under) Expenditures	<u>(77,950)</u>	<u>(67,907)</u>	<u>10,043</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>74,000</u>	<u>65,500</u>	<u>(8,500)</u>
Total Other Financing Sources and Uses	<u>74,000</u>	<u>65,500</u>	<u>(8,500)</u>
Net Change in Fund Balances	(3,950)	(2,407)	1,543
Fund Balance (Deficit) at Beginning of Year	<u>4,193</u>	<u>4,193</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 243</u>	<u>\$ 1,786</u>	<u>\$ 1,543</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Consortium Fund
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 693,318	\$ 735,603	\$ 42,285
Tuition and Fees	1,426,736	1,164,243	(262,493)
Customer Sales and Services	20,000	17,159	(2,841)
Total Revenues	<u>2,140,054</u>	<u>1,917,005</u>	<u>(223,049)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	1,500		1,500
Special	640,525	478,250	162,275
Vocational	944,178	767,691	176,487
Support Services:			
Pupils	638,200	549,069	89,131
Administration	10,003	9,778	225
Operation and Maintenance of Plant	50,096	39,423	10,673
Total Expenditures	<u>2,284,502</u>	<u>1,844,211</u>	<u>440,291</u>
Excess of Revenues Over (Under) Expenditures	<u>(144,448)</u>	<u>72,794</u>	<u>217,242</u>
Net Change in Fund Balances	(144,448)	72,794	217,242
Fund Balance (Deficit) at Beginning of Year	2,257,013	2,257,013	
Prior Year Encumbrances Appropriated	<u>28,879</u>	<u>28,879</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 2,141,444</u>	<u>\$ 2,358,686</u>	<u>\$ 217,242</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Pupil Support
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Gifts and Donations	\$ 13,620	\$ 11,377	\$ (2,243)
Customer Sales and Services		2,136	2,136
Miscellaneous		342	342
Total Revenues	<u>13,620</u>	<u>13,855</u>	<u>235</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	28,654	18,904	9,750
Special	<u>9,000</u>	<u>8,179</u>	<u>821</u>
Total Expenditures	<u>37,654</u>	<u>27,083</u>	<u>10,571</u>
Excess of Revenues Over (Under) Expenditures	<u>(24,034)</u>	<u>(13,228)</u>	<u>10,806</u>
Net Change in Fund Balances	(24,034)	(13,228)	10,806
Fund Balance (Deficit) at Beginning of Year	41,087	41,087	
Prior Year Encumbrances Appropriated	<u>575</u>	<u>575</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 17,628</u>	<u>\$ 28,434</u>	<u>\$ 10,806</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Misc. Local Grants
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 6,500	\$ 6,500	\$ -
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	2,455	986	1,469
Support Services:			
Instructional Staff	<u>2,116</u>	<u>0</u>	<u>2,116</u>
Total Expenditures	<u>4,571</u>	<u>986</u>	<u>3,585</u>
Excess of Revenues Over (Under) Expenditures	<u>1,929</u>	<u>5,514</u>	<u>3,585</u>
Net Change in Fund Balances	1,929	5,514	3,585
Fund Balance (Deficit) at Beginning of Year	3,471	3,471	
Prior Year Encumbrances Appropriated	<u>28</u>	<u>28</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 5,428</u>	<u>\$ 9,013</u>	<u>\$ 3,585</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 697,080	\$ 700,704	\$ 3,624
Customer Sales and Services	0	275	275
Total Revenues	<u>697,080</u>	<u>700,979</u>	<u>3,899</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>616,486</u>	<u>599,988</u>	<u>16,498</u>
Total Expenditures	<u>616,486</u>	<u>599,988</u>	<u>16,498</u>
Excess of Revenues Over (Under) Expenditures	<u>80,594</u>	<u>100,991</u>	<u>20,397</u>
Net Change in Fund Balances	80,594	100,991	20,397
Fund Balance (Deficit) at Beginning of Year	668,709	668,709	
Prior Year Encumbrances Appropriated	<u>1,516</u>	<u>1,516</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 750,819</u>	<u>\$ 771,216</u>	<u>\$ 20,397</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 72,750	\$ 47,452	\$ (25,298)
Gifts and Donations	2,500		(2,500)
Total Revenues	<u>75,250</u>	<u>47,452</u>	<u>(27,798)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities	761	60	701
Sport Oriented Activities	210,862	171,565	39,297
Total Expenditures	<u>211,623</u>	<u>171,625</u>	<u>39,998</u>
Excess of Revenues Over (Under) Expenditures	<u>(136,373)</u>	<u>(124,173)</u>	<u>12,200</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	127,000	120,000	(7,000)
Total Other Financing Sources and Uses	<u>127,000</u>	<u>120,000</u>	<u>(7,000)</u>
Net Change in Fund Balances	(9,373)	(4,173)	5,200
Fund Balance (Deficit) at Beginning of Year	58,064	58,064	
Prior Year Encumbrances Appropriated	10,443	10,443	
Fund Balance (Deficit) at End of Year	<u>\$ 59,134</u>	<u>\$ 64,334</u>	<u>\$ 5,200</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 682,582	\$ 682,582	
Interest	146	454	308
Total Revenues	<u>682,728</u>	<u>683,036</u>	<u>308</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>727,570</u>	<u>661,872</u>	<u>65,698</u>
Total Expenditures	<u>727,570</u>	<u>661,872</u>	<u>65,698</u>
Excess of Revenues Over (Under) Expenditures	<u>(44,842)</u>	<u>21,164</u>	<u>66,006</u>
Net Change in Fund Balances	(44,842)	21,164	66,006
Fund Balance (Deficit) at Beginning of Year	5,793	5,793	
Prior Year Encumbrances Appropriated	<u>39,116</u>	<u>39,116</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 67</u>	<u>\$ 66,073</u>	<u>\$ 66,006</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
One Net
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 10,000	\$ 7,200	\$ (2,800)
Total Revenues	<u>10,000</u>	<u>7,200</u>	<u>(2,800)</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>15,055</u>	<u>14,098</u>	<u>957</u>
Total Expenditures	<u>15,055</u>	<u>14,098</u>	<u>957</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,055)</u>	<u>(6,898)</u>	<u>(1,843)</u>
Net Change in Fund Balances	(5,055)	(6,898)	(1,843)
Fund Balance (Deficit) at Beginning of Year	<u>15,056</u>	<u>15,056</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 10,001</u>	<u>\$ 8,158</u>	<u>\$ (1,843)</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
IDEA B
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 361,925	\$ 342,558	\$ (19,367)
Total Revenues	<u>361,925</u>	<u>342,558</u>	<u>(19,367)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	49,307	49,307	0
Special	132,441	129,902	2,539
Support Services:			
Pupils	109,218	109,217	1
Operation of Non-Instructional/Shared Services:			
Community Services	<u>84,346</u>	<u>61,850</u>	<u>22,496</u>
Total Expenditures	<u>375,312</u>	<u>350,276</u>	<u>25,036</u>
Excess of Revenues Over (Under) Expenditures	<u>(13,387)</u>	<u>(7,718)</u>	<u>5,669</u>
Net Change in Fund Balances	(13,387)	(7,718)	5,669
Fund Balance (Deficit) at Beginning of Year	5,832	5,832	
Prior Year Encumbrances Appropriated	<u>7,555</u>	<u>7,555</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ 5,669</u>	<u>\$ 5,669</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 13,251	\$ 13,251	\$ -
Total Revenues	<u>13,251</u>	<u>13,251</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	12,701	12,701	0
Support Services:			
Instructional Staff	<u>550</u>	<u>550</u>	<u>0</u>
Total Expenditures	<u>13,251</u>	<u>13,251</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 116,608	\$ 116,608	\$ -
Total Revenues	<u>116,608</u>	<u>116,608</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	105,612	105,612	0
Operation of Non-Instructional/Shared Services:			
Community Services	<u>11,790</u>	<u>11,790</u>	<u>0</u>
Total Expenditures	<u>117,402</u>	<u>117,402</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(794)</u>	<u>(794)</u>	<u>0</u>
Net Change in Fund Balances	(794)	(794)	0
Fund Balance (Deficit) at Beginning of Year	307	307	
Prior Year Encumbrances Appropriated	<u>487</u>	<u>487</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Grant
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 10,281	\$ 10,281	\$ -
Total Revenues	<u>10,281</u>	<u>10,281</u>	<u>0</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>10,281</u>	<u>10,281</u>	<u>0</u>
Total Expenditures	<u>10,281</u>	<u>10,281</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	<u></u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-A
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 22,945	\$ 22,692	\$ (253)
Total Revenues	<u>22,945</u>	<u>22,692</u>	<u>(253)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	20,602	20,602	
Support Services:			
Instructional Staff	1,940	1,940	
Operation of Non-Instructional/Shared Services:			
Community Services	403	150	253
Total Expenditures	<u>22,945</u>	<u>22,692</u>	<u>253</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>0</u>	<u>0</u>	
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Beachwood City Schools
Schedule of Revenues, Expenses and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Health Care Benefits
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 2,500,000	\$ 2,788,141	\$ 288,141
Other Revenues	<u>935,000</u>	<u>579,075</u>	<u>(355,925)</u>
Total Operating Revenues	<u>3,435,000</u>	<u>3,367,216</u>	<u>(67,784)</u>
OPERATING EXPENSES:			
Claims	<u>3,770,000</u>	<u>3,567,843</u>	<u>202,157</u>
Total Operating Expenses	<u>3,770,000</u>	<u>3,567,843</u>	<u>202,157</u>
Operating Income (Loss)	<u>(335,000)</u>	<u>(200,627)</u>	<u>134,373</u>
Income (Loss) Before Contributions and Transfers	<u>(335,000)</u>	<u>(200,627)</u>	<u>134,373</u>
Net Change in Net Position	(335,000)	(200,627)	134,373
Net Position(Deficit) at Beginning of Year	<u>1,793,951</u>	<u>1,793,951</u>	
Net Position (Deficit) at End of Year	<u>\$ 1,458,951</u>	<u>\$ 1,593,324</u>	<u>\$ 134,373</u>

STATISTICAL

SECTION

Statistical Section

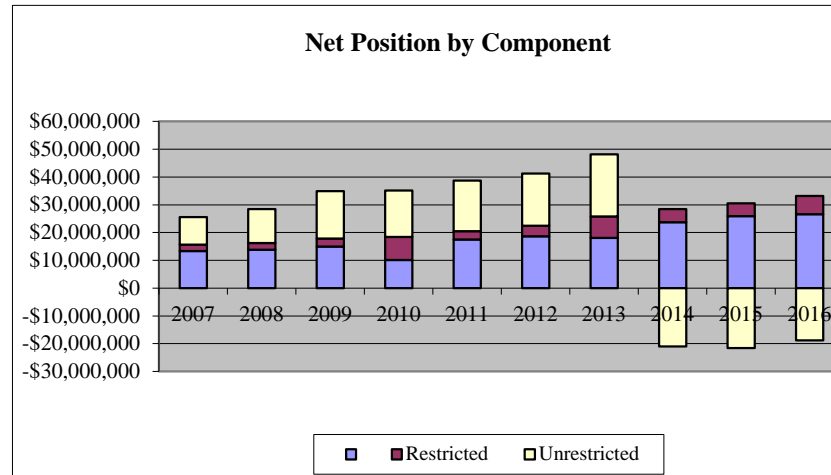
This part of the Beachwood City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being has changed over time.	S3 – S9
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	S10-S14
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S15 – S19
Economic and Demographic Information This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S20- S21
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S22 – S29

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.

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

	2007	2008	2009	2010	2011	2012	2013	Restated 2014	2015	2016
Net Investment in Capital Assets	\$ 13,307,244	\$ 13,802,891	\$ 15,016,809	\$ 10,092,016	\$ 17,535,755	\$ 18,670,053	\$ 18,082,152	\$ 23,764,063	\$ 25,923,161	\$ 26,560,370
Restricted for:										
Debt Services	1,594,417	1,646,024	2,068,977	1,909,169	2,291,287	2,643,964	2,651,163	2,973,570	2,576,755	3,252,718
Capital Outlay	337,034	226,134	192,756	5,965,796	218,541	616,102	4,242,814	889,076	1,305,802	2,182,718
Other Purposes	236,168	376,555	406,199	373,958	325,704	423,498	668,352	660,011	543,051	1,013,143
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	9,945,853	12,249,707	17,066,792	16,700,337	18,205,741	18,737,752	22,323,262	(21,001,938)	(21,591,662)	(18,810,935)
Total Net Position	\$ 25,555,589	\$ 28,436,184	\$ 34,886,406	\$ 35,176,149	\$ 38,711,901	\$ 41,226,242	\$ 48,102,616	\$ 7,419,655	\$ 8,891,980	\$ 14,332,887



Source: District Financial Statements

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Regular Instruction	\$12,686,194	\$13,447,648	\$12,503,062	\$12,322,813	\$12,479,099	\$11,817,943	\$11,732,566	\$11,979,156	\$11,629,226	\$11,080,629
Special Instruction	5,632,796	6,253,498	5,554,774	6,073,357	6,841,655	6,393,564	5,787,279	6,784,298	5,871,895	5,303,469
Vocational Instruction	1,250,493	1,399,055	1,727,730	1,306,835	732,685	1,566,475	1,489,827	1,290,755	1,242,827	869,041
Adult/Conintuing	70,675	70,303	106,568	101,993	99,837	172,423	229,767	223,322	172,720	245,490
Other Instruction	289,608	265,444	282,232	267,839	238,069	128,063	225,758	179,790	664,301	701,677
Pupils	2,233,497	2,647,582	2,483,137	2,659,540	3,113,676	2,447,124	2,599,282	2,710,272	2,616,865	2,602,066
Instructional Staff	1,836,681	1,920,330	1,948,494	1,383,760	1,120,386	1,229,125	1,115,463	1,169,119	1,012,486	1,013,004
Board of Education	357,340	408,141	446,035	606,698	358,447	562,724	522,649	460,127	356,006	473,970
Administration	2,276,591	2,334,232	2,276,927	2,425,348	2,374,984	2,396,922	2,337,526	2,329,151	2,371,399	2,314,305
Fiscal	1,167,782	1,061,998	830,832	789,311	827,047	443,112	1,136,671	514,478	746,614	763,705
Business	356,635	326,285	284,773	418,499	459,488	464,459	493,005	458,069	459,817	506,341
Operation and										
Maintenance of Plant	3,944,032	3,547,759	4,465,843	3,481,534	3,676,973	3,435,706	3,340,931	3,716,973	3,720,729	3,724,961
Pupil Transportation	1,722,149	1,715,068	1,881,013	2,011,020	1,756,043	2,394,212	2,100,921	2,059,398	1,993,252	1,905,211
Central	247,360	188,585	75,288	375,875	700,838	779,644	756,795	704,516	796,909	907,791
Non-instructional	1,883,317	1,885,836	1,826,020	1,562,013	1,528,043	1,615,457	1,526,872	1,506,769	929,350	997,432
Extracurricular Activities	1,191,246	1,115,356	909,220	1,224,793	1,237,501	1,001,511	982,846	1,008,747	1,004,529	958,209
Debt Service	1,437,967	1,365,362	1,663,812	2,093,321	1,991,584	1,759,116	481,661	541,519	1,162,417	993,752
<i>Total Expenses</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>	<i>\$37,636,459</i>	<i>\$36,751,342</i>	<i>\$35,361,053</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$187,527	\$223,848	\$173,762	\$198,005	\$198,931	\$262,524	\$282,997	\$426,372	\$261,927	\$433,566
Special Instruction	162,256	917,763	253,148	1,339,857	882,280	1,016,441	408,532	1,202,361	680,019	1,169,614
Vocational Instruction	456,962	627,211	599,952	636,639	581,738	810,461	670,516	611,363	805,627	326,213
Adult/Conintuing	4,598	6,500	6,853	10,597	16,141	43,777	208,866	223,322	172,720	203,244
Other Instruction	26,001	6,113	0	489	100	2,166	0	40,114	535,638	510,762
Pupils	170,157	489,453	508,341	774,941	804,828	917,293	821,602	956,469	779,711	618,216
Instructional Staff	9,064	12,512	2,065	2,701	51,699	59,206	70,830	151,967	2,321	2,323
Administration	1,268	959	0	3,574	0	0	6,195	573	320	0
Fiscal	20,199	20	18,882	17,401	9,088	20,410	21,117	6,520	9,519	0
Business	665	231	971	1,063	2,130	3,178	3,483	9,155	4,965	12,660
Operation and										
Maintenance of Plant	337,419	326,246	311,240	302,878	333,064	324,955	377,779	317,292	275,580	265,814
Pupil Transportation	3,731	7,780	5,033	2,525	2,244	0	7,708	75,245	48,277	59,964
Central	3,662	1,891	0	0	12,000	2,652	26,020	8,157	27,494	39,993
Food Service Operations	388,413	345,146	345,753	362,627	382,012	422,646	448,638	415,824	374,970	374,118
Community Services	703,030	731,997	558,981	633,130	562,874	499,863	504,650	516,995	5,889	3,033
Extracurricular Activities	47,452	54,583	52,064	60,329	80,872	46,729	41,905	35,950	35,189	46,028

(continued)

Source: District Financial Statements

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating Grants and Contributions:										
Regular Instruction	\$377,004	\$462,809	\$560,713	\$954,217	\$1,101,653	\$549,983	\$562,371	\$543,711	\$665,444	\$606,968
Special Instruction	1,137,484	1,049,131	961,075	419,766	602,671	930,310	644,712	980,032	869,960	772,210
Vocational Instruction	296,470	494,562	495,738	341,849	387,084	471,903	399,322	370,783	280,527	311,804
Other Instruction	0	0	0	95,243	0	0	0	0	27,626	29,779
Pupils	245,630	233,488	162,901	298,176	344,971	225,966	157,696	170,662	222,850	290,804
Instructional Staff	1,952	8,550	149,687	126,642	82,014	71,242	72,793	77,894	12,356	66,675
Administration	9,538	11,269	0	12,726	13,862	0	13,591	7,857	7,857	7,736
Business	0	0	0	0	0	0	0	0	0	0
Operations	32,855	53,529	0	63,630	29,705	0	0	0	0	0
Pupil Transportation	451,538	420,648	337,890	52,733	30,671	470,815	543,734	485,476	491,752	482,910
Central	0	0	0	7,200	9,000	16,375	16,432	52,868	35,660	46,516
Food Service Operations	66,309	71,733	57,098	81,350	68,588	68,349	63,411	49,691	38,608	34,751
Community Services	756,588	688,541	597,713	572,830	519,955	563,069	252,504	289,849	221,806	262,143
Extracurricular Activities	0	0	0	0	0	0	0	0	1,000	0
Capital Grants and Contributions:										
Vocational Instruction	0	0	0	0	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0	0	6,992	7,781	11,466
Central	0	0	0	0	0	0	0	0	9,184	0
Total Program Revenues	5,897,772	7,246,513	6,159,860	7,373,118	7,110,175	7,800,313	6,627,404	6,629,414	8,033,494	6,912,577
Net Expenses	(\$32,686,591)	(\$32,705,969)	(\$33,105,900)	(\$31,731,431)	(\$32,426,180)	(\$30,807,267)	(\$30,232,415)	(\$31,007,045)	(\$28,717,848)	(\$28,448,476)

Source: District Financial Statements

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Not Restricted to Specific Services	5,515,570	5,504,910	5,687,462	5,647,472	6,385,851	6,845,143	6,141,675	5,152,707	4,170,054	3,168,842
Investment Earnings	389,609	309,666	176,869	73,323	221,860	332,985	241,009	465,682	648,569	809,864
Miscellaneous	1,752,422	632,226	2,712,099	5,436,826	298,808	250,458	257,895	40,154	177,021	76,080
Property Taxes	30,469,897	27,731,492	33,708,619	27,450,186	28,034,000	26,914,433	23,881,579	30,394,644	27,723,716	29,661,499
<i>Total General Revenues</i>	<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>	<u>36,053,187</u>	<u>32,719,360</u>	<u>33,716,285</u>
<i>Change in Net Position</i>	<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>	<u>\$5,046,142</u>	<u>\$4,001,512</u>	<u>\$5,267,809</u>

Source: District Financial Statements

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>General Fund</i>							
Nondisposable	81,171	79,722	91,882	\$81,213	\$77,423	\$78,834	\$77,659
Restricted	134,873	134,873	134,873	134,873	134,873	142,715	142,915
Committed	257,275	446,142	227,580	245,081	312,464	466,442	148,076
Assigned	0	2,498,306	1,858,365	0	2,412,549	1,170,307	1,305,151
Unassigned	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>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>							
Nondisposable	7,618	7,812	7,393	7,516	8,712	4,891	0
Restricted	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	0	0	(16,305)	(1,004)	(7,428)	0	0
<i>Total All Other Governmental Funds</i>	<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>\$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)

	2016	2015	2014	2013	2012
General Revenues					
Property and Other Local Taxes	\$30,432,420	\$27,867,568	\$33,817,710	\$27,846,976	\$28,034,000
Integovernmental	8,890,938	8,999,170	9,010,277	8,673,834	9,576,025
Interest	390,304	309,750	176,914	73,489	221,951
Tuition and Fees/Rent	1,869,768	3,080,253	2,258,470	3,743,392	3,219,070
Miscellaneous Revenue from Local Sources	2,404,363	1,304,142	3,290,629	6,040,024	999,648
<i>Total Revenues</i>	<u>\$43,987,793</u>	<u>\$41,560,883</u>	<u>\$48,554,000</u>	<u>\$46,377,715</u>	<u>\$42,050,694</u>
Expenditures					
Instruction	\$18,863,191	\$20,227,953	\$19,818,267	\$19,751,303	\$19,532,432
Support Services:					
Pupil	2,106,213	2,605,118	2,491,157	2,696,076	3,046,113
Instructional Staff	1,830,686	1,934,842	2,005,568	1,338,612	1,054,135
Board of Education	336,313	387,993	424,218	585,644	337,438
Administration	2,271,929	2,348,437	2,265,053	2,397,235	2,367,983
Fiscal	1,002,165	1,114,806	1,041,887	873,283	1,106,852
Business	349,582	356,524	288,951	415,861	479,569
Operation and Maintenance of Plant	3,707,137	3,482,222	3,409,790	3,023,997	2,948,024
Pupil Transportation	1,761,570	1,955,864	1,906,237	2,030,773	1,665,516
Central	299,163	253,730	244,583	918,231	1,124,218
Non-instructional	1,807,773	1,778,066	1,831,026	1,500,237	1,488,316
Extracurricular Activities	1,186,277	1,159,468	1,074,734	1,215,381	1,217,815
Capital Outlay	4,882,239	963,409	4,279,834	15,314,306	16,076,522
Debt Service:					
Principal	2,740,000	2,710,000	2,515,000	2,440,000	2,230,000
Interest	1,501,060	1,411,014	2,146,160	2,013,447	2,036,195
<i>Total Expenditures</i>	<u>44,645,298</u>	<u>42,689,446</u>	<u>45,742,465</u>	<u>56,514,386</u>	<u>56,711,128</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(657,505)</u>	<u>(1,128,563)</u>	<u>2,811,535</u>	<u>(10,136,671)</u>	<u>(14,660,434)</u>
Other Financing Sources/(Uses)					
Operating Transfers In	195,500	259,572	272,600	331,600	233,540
General Obligation Bonds Issued	5,009,296	0	16,569,966	3,325,175	0
Proceed from Sale of Bonds	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0	0
Inception of Capital Lease	177,542	0	291,635	157,750	172,087
Other Financing Sources	0	0	246,984	0	0
Operating Transfers Out	(195,500)	(259,572)	(272,600)	(331,600)	(233,540)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	0
Refunding of Bonds	0	0	(16,740,000)	(3,265,762)	0
	5,186,838	0	368,585	217,163	172,087
<i>Net Changes in Fund Balances</i>	<u>\$4,529,333</u>	<u>(\$1,128,563)</u>	<u>\$3,180,120</u>	<u>(\$9,919,508)</u>	<u>(\$14,488,347)</u>
Debt Services as a percentage of Noncapital expenditures	10.83%	10.03%	11.35%	11.80%	10.04%

Source: District Financial Statements

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$26,735,219	\$23,720,129	\$30,489,433	\$28,225,851	\$30,467,859
10,213,155	8,868,241	8,188,859	7,042,005	6,083,421
333,272	241,202	467,348	749,468	722,948
3,358,651	2,576,047	3,884,672	2,936,352	2,793,748
<u>1,323,821</u>	<u>1,582,493</u>	<u>1,151,158</u>	<u>1,180,397</u>	<u>1,425,357</u>
<u>\$41,964,118</u>	<u>\$36,988,112</u>	<u>\$44,181,470</u>	<u>\$40,134,073</u>	<u>\$41,493,333</u>
\$19,158,837	\$18,741,726	\$19,390,201	\$18,409,343	\$17,132,962
2,488,406	2,638,931	2,683,603	2,597,084	2,610,057
1,245,680	1,109,864	1,090,565	930,332	959,487
543,728	502,689	439,485	346,279	451,140
2,357,983	2,295,127	2,274,608	2,334,626	2,340,665
965,920	982,071	944,581	870,664	853,796
456,991	485,105	450,040	475,683	499,306
3,228,836	3,310,293	3,525,969	3,638,095	3,697,130
2,256,616	2,189,730	2,100,816	1,927,821	1,958,588
1,317,613	742,267	1,013,722	1,107,131	1,397,285
1,584,575	1,492,319	1,489,470	885,503	937,992
968,684	956,455	976,735	968,945	922,936
3,304,901	397,220	832,691	622,003	508,859
2,060,000	1,450,000	1,390,000	1,094,984	1,859,998
<u>2,092,818</u>	<u>645,190</u>	<u>593,478</u>	<u>970,500</u>	<u>1,009,662</u>
<u>44,031,588</u>	<u>37,938,987</u>	<u>39,195,964</u>	<u>37,178,993</u>	<u>37,139,863</u>
<u>(2,067,470)</u>	<u>(950,875)</u>	<u>4,985,506</u>	<u>2,955,080</u>	<u>4,353,470</u>
243,024	240,000	396,000	350,000	315,000
30,319,567	0	0	0	0
0	5,650,000	0	6,244,997	0
0	0	0	0	18,622
267,639		124,373	0	413,152
0	0	0	474,279	0
(243,024)	(240,000)	(396,000)	(350,000)	(315,000)
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,602,665)</u>	<u>0</u>
30,587,206	5,650,000	124,373	116,611	431,774
<u>\$28,519,736</u>	<u>\$4,699,125</u>	<u>\$5,109,879</u>	<u>\$3,071,691</u>	<u>\$4,785,244</u>
9.95%	5.62%	5.25%	5.74%	7.83%

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

Collection Year	Real Estate		Public Utility Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
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
2009	734,787,970	2,099,394,200	24,347,999	243,873,264	759,135,969	2,343,267,464	83.90
2008	737,297,970	2,106,565,629	38,242,896	245,831,783	775,540,866	2,352,397,412	82.30
2007	732,702,280	2,093,435,086	53,770,556	233,376,196	786,472,836	2,326,811,282	82.30

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

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

Personal Property phase out ended collection year 2009.

Source: Cuyhaoga County Budget Commission

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

Tax Year/ Collection Year	Direct	Overlapping		Total Levy	Debt Service Included in Total Levy		
	School	County	City		School	County	Total
	Levy	Levy	Levy				
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
2008/2009	83.90	20.60	4.00	108.50	1.90	1.01	2.91
2007/2008	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2006/2007	82.30	20.20	4.00	106.50	1.90	1.01	2.91
2005/2006	83.50	20.30	4.00	107.80	3.10	0.98	4.08

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.

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collected As a Percent of Current Levy
2014/2015	\$32,750,590	\$1,112,487	\$33,863,077	\$30,959,431	94.53%	\$349,869	\$31,309,300	95.6%
2013/2014	32,929,787	24,369,590	57,299,377	29,959,212	90.98%	400,488	30,359,700	92.2%
2012/2013	32,713,108	15,059,270	47,772,378	30,120,713	92.08%	450,863	30,571,576	93.5%
2011/2012	32,715,403	12,492,683	45,208,086	29,975,093	91.62%	826,730	30,801,823	94.2%
2010/2011	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2009/2010	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2008/2009	31,001,148	7,953,004	38,954,152	28,262,113	91.16%	704,361	28,966,474	93.4%
2007/2008	30,850,329	6,565,654	37,415,983	28,112,109	91.12%	1,064,838	29,176,947	94.6%
2006/2007	32,310,572	5,386,849	37,697,421	30,024,676	92.93%	1,017,048	31,041,724	96.1%
2005/2006	33,716,047	3,971,944	37,687,991	31,294,524	92.82%	811,612	32,106,136	95.2%

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, 2015 and December 31, 2006

December 31, 2015			
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$76,479,260	21.53%
Commerce Park	Office Buildings	20,420,250	5.75%
Four Seasons Apartments	Apartment Complex	13,670,160	3.85%
Hamptons Apartment	Apartment Complex	12,062,260	3.40%
DFG-Beachwood Pavilion LLC	Retail	11,409,060	3.21%
Village Green of Beachwood	Condominiums	11,131,370	3.13%
Developers Diversified	Realty	9,864,400	2.78%
Four Seasons Apts	Apartments	7,519,880	2.12%
Beachwood Park East	Office buildings	6,788,350	1.91%
Signature Square	Office buildings	5,821,940	1.64%
Cleveland Beachwood Hospitality LLC	Office buildings	5,726,000	1.61%
		<u>\$180,892,930</u>	<u>50.92%</u>
Total Commercial Valuation		<u>\$355,263,310</u>	

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

Source: Cuyahoga County Fiscal Officer

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2015 and December 31, 2006

		December 31, 2014	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$982,540	7.62%
Total		<u>\$982,540</u>	<u>7.62%</u>
Total Public Utility Valuation		<u>\$12,895,080</u>	

		December 31, 2005	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$7,639,960	60.05%
Ohio Bell	Telephone	3,274,950	25.74%
American Transmission System	Telephone	551,850	4.34%
East Ohio Gas	Utility	533,040	4.19%
New Par	Telephone	506,930	3.98%
Total		<u>\$12,506,730</u>	<u>98.29%</u>
Total Public Utility Valuation		<u>\$12,723,490</u>	

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
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%
2009	12,209,998	1,480,000	81,096	13,771,094	1,130	2.3%
2008	12,914,998	2,165,000	137,520	15,217,518	1,249	2.5%
2007	13,359,984	2,815,000	334,124	16,509,108	1,355	3.1%

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

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

Source: Beachwood City Schools

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2015

<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	\$38,210,032	100.00%	\$38,210,032
<i>Overlapping Debt:</i>			
Cuyahoga County	243,900,000	2.60%	6,340,309
Regional Transit Authority	88,715,000	2.60%	2,306,193
City of Beachwood	16,190,000	87.92%	14,234,581
City of Pepper Pike	<u>6,384,638</u>	1.05%	<u>66,768</u>
Total Overlapping Debt	<u>355,189,638</u>		<u>22,947,851</u>
Total Debt	<u><u>\$393,399,670</u></u>		<u><u>\$61,157,883</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 2014 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>
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
2009	12,209,998	2,052,047	10,157,951	759,135,969	12,186	1.34%	834
2008	12,914,998	1,626,431	11,288,567	775,540,866	12,186	1.46%	926
2007	13,359,984	1,554,189	11,805,795	786,472,836	12,186	1.50%	969

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Assessed Valuation	<u>\$720,078,250</u>	<u>\$709,680,930</u>	<u>\$709,009,380</u>	<u>\$712,728,860</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$64,807,043	\$63,871,284	\$63,810,844	\$64,145,597
Amount of Debt Applicable to Debt Limit:				
Bonded Debt	30,766,271	33,001,923	35,202,575	37,567,973
Less Bond Retirement Fund	3,244,584	2,752,826	2,954,498	2,620,960
Net General Bonded Debt	27,521,687	30,429,097	32,248,077	34,947,013
Voted Debt Margin	<u>\$34,040,772</u>	<u>\$30,869,361</u>	<u>\$28,608,269</u>	<u>\$26,577,624</u>
Ratio of Legal Debt Margin to Assessed Values	3.82%	4.29%	4.55%	4.90%
Bonded Debt Limit - .1% of Assessed Value (1)	\$720,078	\$709,681	\$709,009	\$712,729
Unvoted Debt Margin	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>

(continued)

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 .

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$709,342,720</u>	<u>\$719,686,060</u>	<u>\$722,870,740</u>	<u>\$759,135,969</u>	<u>\$775,540,866</u>	<u>\$786,472,836</u>
\$63,840,845	\$64,771,745	\$65,058,367	\$68,322,237	\$69,798,678	\$70,782,555
39,049,998	40,724,998	11,479,998	12,209,998	12,914,998	13,359,984
2,571,283	2,218,606	1,884,167	2,052,047	1,626,431	1,554,189
36,478,715	38,506,392	9,595,831	10,157,951	11,288,567	11,805,795
<u>\$24,790,847</u>	<u>\$24,046,747</u>	<u>\$53,578,369</u>	<u>\$56,112,239</u>	<u>\$56,883,680</u>	<u>\$57,422,571</u>
5.14%	5.35%	1.33%	1.34%	1.46%	1.50%
\$709,343	\$719,686	\$722,871	\$759,136	\$775,541	\$786,473
<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</u>	<u>\$775,541</u>	<u>\$786,473</u>

Beachwood City School District
Demographic and Economic Statistics
Last Ten Years

Year (1)	Population (2)	Average Federal Adjusted Gross Income (3)	Median Ohio Adjusted Gross Income (3)	Total Personal Income (4)	Per Capita Personal Income (5)	Debt as a % of Personal Income (6)	Cuyahoga County Unemployment Rate (7)
2014	11,953	\$135,289	\$55,717	\$573,863,530	\$48,010	5.4%	5.5%
2013	11,953	127,742	56,026	573,863,530	48,010	5.8	5.5
2012	11,953	125,927	54,620	573,863,530	48,010	6.1	7.2
2011	11,953	118,809	52,448	573,863,530	48,010	6.5	8.0
2010	11,953	112,354	50,612	573,863,530	48,010	8.3	8.6
2009	12,186	101,351	55,654	493,642,674	40,509	8.2	9.2
2008	12,186	114,266	53,899	493,642,674	40,509	2.3	7.1
2007	12,186	136,606	51,742	493,642,674	40,509	2.5	6.1
2006	12,186	122,152	48,933	493,642,674	40,509	3.1	5.5
2005	12,186	129,930	45,753	493,642,674	40,509	2.7	6.1

Source:

- (1) 2014 latest information available
- (2) Federal Census
- (3) Ohio Department of Taxation
- (4) Per capita personal income multiplied by population
- (5) U.S. Census
- (6) Gross bonded debt divided by total personal income
- (7) Federal Reserve Bank of St. Louis

Beachwood City School District
Principal Employers
December 31, 2015

Employer	Number of Employees	Percentage of Total
Cleveland Clinic Foundation	2,553	10.11%
University Hospitals	1,252	4.96
Menorah Park Center	1,105	4.38
Eaton Corporation	966	3.83
Beachwood Board of Education	545 **	2.16
Developers Diversified	503	1.99
City of Beachwood	499	1.98
Montefiore Home	496	1.96
Penske	475	1.88
Nordstrom	466	1.85
Total	<u>8,860</u>	<u>35.08%</u>
Total employment within the School District	<u>25,253</u>	

** Includes seasonal, substitutes and casual labor

December 31, 2006

Employer	Number of Employees	Percentage of Total
Bank of America	2,997	13.69%
Menorah Park Center	950	4.34
Nordstrom	715	3.27
Beachwood Board of Education	632 **	2.89
Montefiore Home	607	2.77
Cleveland Clinic	504	2.30
Developers Diversified	400	1.83
Degussa Admixtures Inc.	213	0.97
Medical Mutual of Ohio	210	0.96
Brulant	205	0.94
Total	<u>7,433</u>	<u>33.94%</u>
Total employment within the School District	<u>21,898</u>	

** Includes seasonal, substitutes and casual labor

Source: Regional Income Tax Agency and City of Beachwood

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008***	2007
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	75	75	75	79	74	67	70	84	76	84
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	3.6	3.21	3.21	2.88	2	2	3	3	3	7
Special Instruction Classrooms	2	2	2	2	2	3	3	3	3	3
Special Instruction Teachers	0.6	1	1	1	1	1	1.68	1.75	1.75	3
% of students who receive free/reduced lunch	0	0	0	0	0	0	0.00**	0.00**	0.00**	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	278	278	233	260	276	303	307	274	248	288
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	17.98	17.37	17.37	18.4	17.4	16.9	18	19	18	13
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	2.4	3	3	4	4.2	4.2	5.00	4.38	6.53	3
% of students who receive free/reduced lunch	7.79%	9.01%	9.01%	7.30%	13.76%	12.21%	11.31%	11.31%	8.20%	7.12%
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	294	294	325	361	321	294	284	312	295	289
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	20.8	20.88	20.88	19.98	17.3	16.38	20.56	25	20	14
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	5	8	8	7	6.2	8.8	9.4	6.42	8	4
% of students who receive free/reduced lunch	9.89%	14.15%	14.15%	12.74%	11.21%	9.52%	10.09%	10.09%	6.31%	7.17%
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	348	348	311	318	358	336	320	288	317	271
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	22.96	22.3	22.3	21.4	21.58	21.58	21.2	22	22	18
Special Instruction Classrooms	6	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	6.07	5.2	5.2	5	5.8	7	6	4.7	7	2
% of students who receive free/reduced lunch	8.74%	10.28%	10.28%	12.26%	11.45%	14.88%	10.73%	10.73%	6.01%	4.93%
Beachwood High School										
Constructed in 1958										
Additions in 2002 and 2003, 2013										
Total Building Square Footage	256,113	256,113	256,113	208,509	208,509	208,509	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12	643	643	635	627	650	692	667	669	669	644
Student Capacity	1350	1350	1350	1180	1180	1180	1,180	1,180	1,180	1,180
Regular Instruction Classrooms	45	45	45	40	40	40	40	40	40	40
Regular Instruction Teachers	40.54	41.8	41.8	42.73	41.185	42.7	40	45	45	46
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	6.6	7	7	7	8	8	8	8	9.5	7
% of students who receive free/reduced lunch	10.99%	12.12%	12.12%	11.64%	10%	8.67%	5.30%	5.30%	3.08%	3.72%

Source: District Records

(1) Information not available prior to 2006

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

Beachwood City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2016	\$31,600,027	1,498	\$21,095	-7.28%
2015	32,648,226	1,435	22,751	-0.10%
2014	32,203,840	1,414	22,775	9.01%
2013	31,275,641	1,497	20,892	2.49%
2012	31,312,965	1,536	20,384	1.42%
2011	31,194,471	1,552	20,100	-0.29%
2010	30,722,067	1,524	20,159	-4.54%
2009	31,487,746	1,491	21,119	4.89%
2008	29,678,446	1,474	20,135	6.26%
2007	28,743,982	1,517	18,948	6.18%

Source: School District Financial Records

(1) Excludes other financing uses

(2) Excludes preschool enrollment

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

Fiscal Year	Beachwood Attendance Rate	State Average	Beachwood 4 year Graduation Rate	State Average
2015 **	>95%	94.1%	* 96.9%	83.0%
2014	96.3	94.2	95.9	81.3
2013	>95	94.2	95.7	81.3
2012	96.3	93.0	92.6	90.0
2011	96.2	93.0	100.0	90.0
2010	95.9	94.3	97.1	83.0
2009	95.6	94.3	98.5	84.6
2008	95.7	94.2	97.7	86.9
2007	95.0	94.1	97.1	86.1
2006	96.1	94.1	99.3	86.2

Source: Ohio Department of Education Local Report Cards

* Graduation rates have new calculation rate in 2012

** Latest information available - State report card not yet released.

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

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Regular Instruction										
Preschool Classroom Teachers	3.60	3.21	3.21	2.88	2.42	2.00	2.00	3.00	3.00	3.00
Preschool Aides	3.80	4.14	4.14	4.60	3.61	3.36	2.32	3.43	3.92	2.53
Preschool After Care Instructor	-	-	-	-	-	-	-	-	0.00	0.80
Elementary Classroom Teachers	34.50	32.93	32.97	32.47	30.47	31.47	29.00	30.47	28.47	33.47
Instructional Assistants	1.00	1.00	-	-	-	-	-	-	1.80	2.07
Art/Music/PE/Technology K-12	15.05	17.18	17.18	17.18	18.16	18.16	18.66	19.66	19.67	18.38
HS/MS Classroom Teachers	57.50	48.30	48.30	47.63	46.64	46.70	49.07	47.10	48.05	43.10
Special Instruction										
Preschool Special Ed.	0.60	1.00	1.00	1.00	1.00	1.00	1.68	1.75	1.75	1.75
ESL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60
Language Delayed/Cognitive Disabilities	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	3.45
Deaf/Hard of Hearing	3.00	3.75	4.00	4.00	4.50	5.00	5.00	5.00	5.00	5.00
Intervention Specialists	16.40	15.75	13.00	13.00	14.00	14.00	14.00	14.00	13.50	13.50
Special Ed Assistants	30.40	33.57	34.57	34.97	36.74	33.15	34.05	35.00	36.80	33.40
Gifted Education Teachers	2.07	2.27	2.27	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Vocational Instruction										
High School Classroom Teachers	5.00	6.00	6.00	6.00	6.50	7.50	7.00	7.00	5.25	5.00
Pupil Support Services										
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00	5.80
Librarians	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	3.00	3.00
Psychologists	3.00	3.00	3.00	3.00	3.00	3.00	2.50	3.00	3.00	3.00
Audiologist and Speech & Lang	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.20	5.20	5.20
Nurses	2.00	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.42
Educational Interpreters	7.22	7.60	8.42	8.50	9.36	10.00	10.00	10.00	10.34	11.60
Occupational Therapist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.80
Tutors	4.75	4.75	4.01	3.41	4.53	2.58	2.32	5.80	3.71	3.11
Administrators/Supervisors										
Central Office	6.00	6.00	6.00	6.00	3.00	4.00	4.00	4.00	4.00	4.50
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50
MiddleSchool/High School	4.00	4.00	4.00	4.00	4.00	4.00	3.50	5.00	5.00	4.00
Supervisors	6.00	4.50	4.00	3.00	5.00	4.00	5.00	5.00	6.00	7.00
Community Education Coordinator	-	-	-	-	0.00	0.00	0.63	0.63	0.63	0.63
Administrative Support										
Administrative/Office Assistants	15.00	15.00	15.00	15.00	15.00	16.00	16.53	16.50	17.00	18.38
Operation of Plant										
Cleaners	5.00	8.00	9.45	10.40	11.00	11.00	11.00	11.00	11.00	10.75
Custodians	13.00	10.00	10.00	9.00	9.89	9.00	9.00	9.00	10.00	10.00
Maintenance/Grounds	5.00	4.00	4.00	4.00	3.00	3.00	4.00	5.00	5.00	5.00
Pupil Transportation										
Bus Drivers	17.00	18.30	19.86	18.87	14.93	18.15	18.15	20.26	21.71	23.14
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										
	4.60	5.00	5.00	5.00	4.60	4.60	4.60	4.60	4.60	4.60
Technology										
	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Food Service Program										
High School Cooks	-	-	-	-	-	-	-	-	3.00	3.00
Food Service Worker	-	-	-	-	-	-	-	-	6.48	5.66
Lunch Aides	-	-	-	-	-	-	-	-	0.00	0.00
Totals	290.09	289.85	289.98	288.51	286.95	287.27	289.71	302.00	314.98	315.14

Source: District records

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

Degree	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Bachelor's Degree	17	7	9	14	13	13	12	12	12	16
Bachelor+ 12	4	3	5	3	7	3	3	2	9	5
Bachelor + 24	3	4	6	7	7	8	6	9	11	11
Bachelor + 30	8	6	4	2	2	2	2	2	2	3
Master's Degree	46	50	45	43	40	40	50	48	48	84
Master + 12	25	26	24	24	25	29	25	28	31	15
Master + 24	21	21	21	19	25	22	20	18	19	9
Master + 36	18	19	26	25	21	20	21	23	24	10
Master + 60	18	21	20	23	20	23	19	20	19	14
Total	160	157	160	160	160	160	158	162	175	167

Source: School District Records

Beachwood City School District
 Enrollment Statistics
 Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School/ High School	Total
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
2009*	614	957	1,571
2008*	559	986	1,545
2007	661	915	1,576

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

Source: Beachwood City Schools EMIS records

Beachwood City School District
 ACT Composite Scores
 Last Ten School Years

School Year	Number of Test Takers	Number of Seniors	Beachwood Composite	Ohio Composite	National Composite
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	21.0
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1
2008	226	131	25.0	21.7	21.1
2007	200	115	24.3	21.6	21.2

Source: High School Guidance Department
 Beachwood City School District

Beachwood City School District
 SAT Composite Scores
 Last Ten School Years

School Year	Number of Senior Test Takers	Beachwood Reading/Verbal	Ohio Reading/Verbal	National Reading/Verbal	Beachwood Math	Ohio Math	National Math	Beachwood Writing	Ohio Writing	National Writing
2016	28	606	556	494	624	563	508	600	534	482
2015	28	625	557	495	635	563	511	623	537	484
2014	36	613	555	497	643	562	513	608	535	487
2013	38	653	548	496	653	556	514	621	536	488
2012	60	602	593	496	631	552	514	594	525	488
2011	67	563	539	497	568	545	514	553	522	489
2010	64	616	538	501	625	548	516	594	522	492
2009	70	573	537	501	606	546	515	584	523	493
2008	68	619	534	502	635	544	515	629	521	494
2007	70	587	536	502	603	542	515	583	522	494

Source: High School Guidance Department
 Beachwood City School District

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Dave Yost • Auditor of State

BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 31, 2017**