

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

**AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2017**

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





# Dave Yost • Auditor of State

Board of Education  
Beachwood City School District  
24601 Fairmont Blvd.  
Beachwood, Ohio 44122

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, 2016 through June 30, 2017. 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 3, 2018

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**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

*Certified Public Accountants*

*5240 East 98<sup>th</sup> Street*

*Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

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Ohio Society of Certified Public Accountants

**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, 2017, 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 20, 2017.

***Internal Control Over Financial Reporting***

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

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

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

## ***Compliance and Other Matters***

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

## ***Purpose of This Report***

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

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

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

November 20, 2017



**BEACHWOOD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2017**

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The prior audit report, as of June 30, 2016, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
**OF THE**  
**BEACHWOOD CITY SCHOOL DISTRICT**  
*for the*  
**FISCAL YEAR ENDED JUNE 30, 2017**



**BEACHWOOD SCHOOLS**  
LEARNING FOR LIFE

*Prepared by Treasurer's Department*

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

24601 Fairmount Boulevard  
Beachwood, Ohio 44122-2298

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**BEACHWOOD CITY SCHOOL DISTRICT**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2017**  
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***BEACHWOOD CITY SCHOOL DISTRICT***  
**Comprehensive Annual Financial Report**  
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*INTRODUCTORY*

*SECTION*

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**BEACHWOOD CITY SCHOOL  
DISTRICT**

24601 Fairmount Boulevard  
Beachwood, OH 44122  
Phone: 216.464.2600

November 17, 2017

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, 2017, 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 1,510 students from Pre-K through 12<sup>th</sup> 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***

#### **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 district overall, the middle school, and the high school earned “A's” for Value Added, a measure based upon students' scores on Grades 4 - 8 English/Language Arts and mathematics assessments as well as on the 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. Beachwood City Schools was proud to be one of just two districts in Ohio to meet each of the 24 state standards on the report card.

#### **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 2017 was 98.6%. Our high school offers [27 Advanced Placement](#) and [22 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 learning experiences.

In its fourth year, the Beachwood Medical Academy offered students monthly physician-led seminars on varied medical specialties, the opportunity to join physicians on “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, students enroll in credit-bearing Anatomy & Physiology, Genetics and Bioethics summer courses taught by Case Western Reserve University faculty and staff.

The Design & Innovation Program completed its fifth year and boasts more than 75 students enrolled in its course sequence. This year, Beachwood seniors will join teams of college senior engineering students at Cleveland State to take part in project challenges posed by industry partners from the region. In addition, students in the 2nd and 3rd-year courses will receive Ohio college credit, transferable to any state university, for up to 4 credit hours (2 credits per year).

Beachwood High School was ranked #1 in Northeast Ohio and #3 in the state of Ohio in The Washington Post’s annual high school ranking. 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 re-designated 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 on students’ fall test results in third grade.

### **Students and Staff in our Community**

Beachwood students were engaged in the community in a variety of ways this year. Two unique initiatives brought senior adults and our students together. Bryden Elementary classes visited Stone Gardens monthly to interact with seniors living in assisted living. Students and seniors read books to one another, played games and made art projects. Many of the seniors, whose families aren’t local, shared with us that these interactions were reminiscent of time spent with their own grandchildren. Bryden students shared stories they’d learned about the long lives of their new acquaintances.

Beachwood High School students were involved in a program that, due to its success and popularity, is continuing this fall. In an effort to help seniors stay connected with their tech-savvy families, Beachwood High School librarian Angela Maxwell and Hilltop technology teacher Mickayla Meola organized a group of high school student tech coaches and paired them with senior citizens. Each week for a month, seniors came to Beachwood High School and worked with the coaches. The students patiently led them through the how to’s of a variety of tech tools: iPads, iPhones, Android devices, MacBook Pros, Windows software and more.

### **Athletics**

Beachwood’s athletic programs continued to shine in 2016-2017. Multiple sports and individuals yielded record-breaking seasons: boys soccer, cross country, football, basketball, swimming, and track & field. Our Girls Track & Field team was crowned Beachwood’s first ever OHSAA State Champion in school history. The 4x100 relay won their second consecutive state championship and individuals finished in the top 8 in the 1600, 3200 and 100 and 200 meter dash. Bison women also won the OATCCC Indoor State Championships as well as the OHSAA Regional Championship for the first time. Leah Roter won the OHSAA State Championships in Cross Country and Track and became our most accomplished cross country and long distance runner in school history. Mia Knight won a State Championship in Indoor Track. Junior football player, Ben Connor was named 1st Team All Ohio Quarterback. Senior Boys Soccer player Shai Yulish was named 2nd Team All Ohio and set the record for most goals in a career as a Bison while senior Asaf Roth set the record for most assists in a Bison career. Junior Girls Soccer player Mackie Davis recorded the fastest goal in BHS history and the fastest hat trick. The Boys Basketball team won their 4th consecutive Chagrin Valley Conference Championship. Sophomore Boys Basketball player Jayson Woodrich earned Special Mention All Ohio honors. Junior Girls Basketball player Taylor Royster was named CVC MVP, 1st Team All District and 3rd Team All Ohio. She scored her 1000th point as a Bison last season. Josh Bialosky recorded his 101st pin for the Wrestling Team, a new Beachwood record. Our Boys Swim Team sent seven individuals to the OHSAA State Championships, the most in Beachwood history and earned the

highest place finish in school history. Sophomore Diver Spencer Bystrom finished 5th in the State, a school record. Beachwood was proud to boast that 159 student-athletes earned a 3.5 GPA or higher during the 2016-2017 school year, an increase from the previous year.

### **Facilities**

During the 2016-2017 school year Beachwood City Schools opened its state-of-the-art renovated auditorium and its top-to-bottom redesigned main stadium. Both facilities were put to immediate use by multiple school and community groups and remain busy venues to this day. Throughout this past school year, Beachwood educators and school board members worked with architects, engineers and city officials in creating schematic design drawings for the district's proposed consolidated elementary school. The current elementary buildings, Bryden and Hilltop, are nearing 60 years of age. Their major building systems and infrastructure are at the end of their lifespan and due for exceedingly costly repairs in the coming years. The district is seeking approval from the community through a bond levy to fund this \$39 million building project that will position Beachwood's elementary education programs positively for the next half century.

### **Financial Policies**

The School District has not adopted any new financial policies that had significant impact on the 2017 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 31<sup>st</sup> of each school year and must be amended as necessary by no later than May 31<sup>st</sup> 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 13 in the notes to the financial statements for a more in depth explanation of the financial impact.

## **Significant Local Economic Events**

There are some bright spots on the horizon as the City continues to enjoy economic development. The commercial tax duplicate has increased slightly by 1.15% mainly due to some new construction, but offset by the removal of some tax exempt property from the duplicate. The community’s tax base is fairly evenly distributed between commercial and residential property. Forty-eight percent of the School District’s valuation is comprised of residential property and fifty-two 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 and is currently in litigation with Warrensville Heights School District to compel payment of these revenues.

## **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 34.09 and 43.31 respectively, for residential and commercial property.

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

The 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 \$7,588 to \$27,000 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.

While the State has set a 5% maximum number for students, there is no individual school cap. In Fiscal Year 2017

the School District has \$377,878 (an increase of 30% over 2016 spending) 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. The District hired a half time staff member to process the requests for special education identification. In addition the State of Ohio has approved autism scholarships for parents whose children do not attend the public schools. The total cost in FY 2017 was \$144,188. Students have a right to these services as long as they are residents of the district and it is incumbent on the district to educate its constituency regarding these rising costs which continue to increase each year.

#### *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 2017 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, 2016. (This was the 29th consecutive year that the School District earned this prestigious award.) In order to be awarded a Certificate of Achievement, a governmental agency must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### Acknowledgments

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

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

Special recognition must be extended to the members of the Treasurer's Office: Kathleen Stroski, Assistant Treasurer; April Yuhas, Payroll Coordinator, Kelly Wright, Purchasing Agent; Rita Miklacic, EMIS coordinator and LaJour Sims, Financial Processing Coordinator; who assisted with the development of the Comprehensive Annual Financial Report and the annual audit. The department members have our sincere gratitude for their professional, efficient and dedicated service.



Audit Committee

The School District has an active audit committee, comprised of 3 members of the community (two of whom are CPA's, and one a small business entrepreneur), one Board member 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. Mr. Marks resigned at the end of the FY 2017 school year. Mrs. Marla Petti was appointed to his seat.



Michele E. Mills, MBA  
Treasurer/CFO



Dr. Robert Hardis  
Superintendent of Schools

**Elected Officials**

Board of Education

Mr. Mitchel Luxenburg.....President

Mr. Michael Zawatski.....Vice-President

Dr. Brian Weiss.....Member

Mr. Josh Mintz.....Member

Mr. Steve Rosen.....Member

Administration

Dr. Robert Hardis.....Superintendent

Ms. Michele E. Mills, MBA.....Treasurer/CFO

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

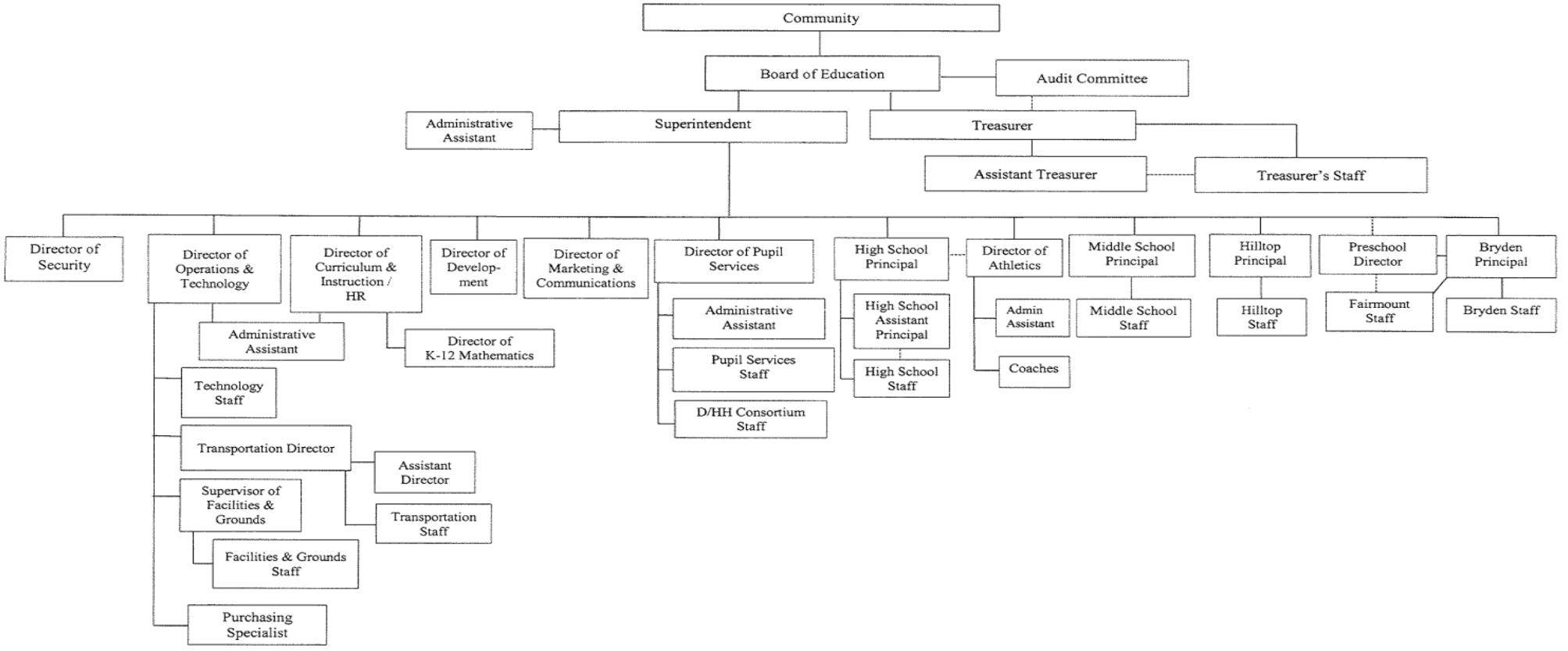
Dr. Ken Veon.....Director of Technology and Operations

Mrs. Linda LoGalbo.....Director of Human Resources and Curriculum

Mrs. Kathleen Stroski.....Assistant Treasurer

# BEACHWOOD CITY SCHOOL DISTRICT

## ORGANIZATION CHART



Approved 08/25/08 Resolution #08-08-301  
 Revised 02/08/2010 Resolution #02-10-069  
 Revised 08/08/2011 Resolution #08-11-329  
 Revised 03/12/2012 Resolution #03-12-103  
 Revised 03/18/2013 Resolution #03-13-120  
 Revised 05/12/2014 Resolution #05-14-165  
 Revised 05/18/2015 Resolution # 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, 2016**

Executive Director/CEO

*FINANCIAL*

*SECTION*

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

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Garfield Hts., Ohio 44125*

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Beachwood City School District as of June 30, 2017, 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 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 20, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

November 20, 2017

***Beachwood City School District***  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
*Unaudited*

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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, 2017. 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 2017 are as follows:

- In total, Net Position decreased by \$2,822,155 which represents a 19.7% decrease from 2016's net position. The decrease in net position is primarily due to the increase in net pension liability of \$9.5 million which was offset by increase of deferred outflows of resources related to pension and increase in capital assets, net. Net Investment in Capital Assets increased from \$26,560,370 to \$31,984,915 primarily due to the High School auditorium project.
- Equity in Pooled Cash and Cash equivalents decreased by \$2,317,856, as the School district spent \$4 Million in fiscal year 2017 for the stadium project.
- General revenues accounted for \$33,356,028 in revenue or 83.57 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,556,640 or 16.43 percent of total revenues of \$39,912,668.
- The School District had \$42,734,823 in expenses related to governmental activities; only \$6,556,640 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$33,356,028 mostly provided for these programs.
- Total assets of governmental funds decreased \$611,353 as total liabilities and deferred inflows of resources increased by \$6,235,457 due primarily to the decrease in property tax amount available for advance at fiscal year end.
- The general fund balance decreased by \$1,997,935 or 6.6% primarily was a result of decreased property tax revenue due to the decrease in property tax available for advance as of fiscal year end due to a change in the date when the taxes were payable by the taxpayers and an increase in expenses.
- The permanent improvement fund balance decreased by \$4,469,154 due to expenditures exceeding revenues from 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 \$31,196,006 in operating revenues and \$33,022,872 in operating expenditures. The general fund's fund balance decreased from \$30,391,234 to \$28,393,299 at year end. The decrease was primarily due to a change in the date when taxes were payable by the taxpayers.

***Beachwood City School District***  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
*Unaudited*

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**Using this Generally Accepted Accounting Principles Report (GAAP)**

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

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

***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 2017?" 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**

**B. Fund Financial Statements**

The analysis of these major funds begins on page 20. 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, 2017**  
*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 2017 compared to 2016:

**Table 1 - Net Position**

	Governmental Activities	
	2017	2016
<b>ASSETS</b>		
Current and Other Assets	\$ 62,836,068	\$ 63,625,244
Capital Assets, net	67,069,117	64,770,402
<b>Total Assets</b>	<u>129,905,185</u>	<u>128,395,646</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	10,884,043	4,860,569
<b>Total Deferred Outflows of Resources</b>	<u>10,884,043</u>	<u>4,860,569</u>
<b>LIABILITIES</b>		
Current and Other Liabilities	4,161,671	4,264,708
Long-term Liabilities:		
Due within one year	2,588,266	3,220,616
Due in more than one year:		
Net Pension Liability	59,242,905	49,746,888
Other Amounts	35,069,509	37,308,349
<b>Total Liabilities</b>	<u>101,062,351</u>	<u>94,540,561</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	26,612,998	20,597,657
Pensions	1,603,147	3,785,110
<b>Total Deferred Inflows of Resources</b>	<u>28,216,145</u>	<u>24,382,767</u>
<b>NET POSITION</b>		
Net Investments in		
Capital Assets	31,984,915	26,560,370
Restricted	4,251,489	6,583,452
Unrestricted	(24,725,672)	(18,810,935)
<b>Total Net Position</b>	<u>\$ 11,510,732</u>	<u>\$ 14,332,887</u>

***Beachwood City School District***  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
*Unaudited*

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017 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 *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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.

**Beachwood City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
*Unaudited*

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 \$7,533,013 while total governmental liabilities and deferred inflows of resources increased by \$10,355,168 resulting in a decrease in net position of \$2,822,155. The increase in governmental assets and deferred outflows is due primarily to an increase in capital assets, net and deferred outflows of resources related to pension. The increase in governmental liabilities and deferred inflows is due primarily to the increase in net pension liability and deferred inflows of resources related to property taxes. Total liabilities and deferred inflows of resources totaled \$129,278,496 of which 75.0% is long-term liabilities

Table 2 shows the changes in net position for fiscal year 2016 with revenue and expense comparisons to fiscal year 2017:

**Table 2 - Change in Net Position**

	Governmental Activities	
	2017	2016
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	\$ 2,943,721	\$ 2,522,404
Operating Grants and Contributions	3,612,919	3,375,368
Total Program Revenues	<u>6,556,640</u>	<u>5,897,772</u>
General Revenues:		
Property Taxes	25,380,072	30,469,897
Grants and Entitlements	5,132,300	5,515,570
Investment Income	395,352	389,609
All Other Revenues	2,448,304	1,752,422
Total General Revenues	<u>33,356,028</u>	<u>38,127,498</u>
<b>Total Revenues</b>	<u>39,912,668</u>	<u>44,025,270</u>

continued

**Beachwood City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
Unaudited

**Table 2 - Change in Net Position (continued)**

	Governmental Activities	
	2017	2016
<b>EXPENSES</b>		
Program Expenses:		
Instruction		
Regular	14,185,332	12,686,194
Special	6,515,516	5,632,796
Vocational	1,221,206	1,250,493
Adult/Continuing	73,772	70,675
Other	312,115	289,608
Supporting Services:		
Pupil	2,627,312	2,233,497
Instructional Staff	2,074,132	1,836,681
Board of Education	355,408	357,340
Administration	2,472,009	2,276,591
Fiscal	996,628	1,167,782
Business	418,986	356,635
Operation and Maintenance of Plant	4,162,520	3,944,032
Pupil Transportation	1,938,172	1,722,149
Central	291,687	247,360
Operation of Non-Instructional Services	2,230,197	1,883,317
Extracurricular Activities	1,310,192	1,191,246
Interest and Fiscal Charges	1,549,639	1,437,967
<b>Total Expenses</b>	<b>42,734,823</b>	<b>38,584,363</b>
Change in Net Position	(2,822,155)	5,440,907
Net Position - Beginning of Year	14,332,887	8,891,980
<b>Net Position - End of Year</b>	<b>\$ 11,510,732</b>	<b>\$ 14,332,887</b>

**Governmental Activities**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 63.6 percent of revenues for governmental activities for the School District in fiscal year 2017.

***Beachwood City School District***  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
*Unaudited*

Instruction comprises 52 percent of governmental program expenses. Interest expense was 3.63 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 2016.

**Table 3 - Governmental Activities**

	Total Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2017	Net Cost of Services 2016
Instruction	\$ 22,307,941	\$ 19,929,766	\$ 19,108,650	\$ 17,281,464
Supporting Services:				
Pupils and Instructional Staff	4,701,444	4,070,178	4,227,566	3,643,375
Board of Education, Administration, Fiscal Services, and Business	4,243,031	4,158,348	4,236,773	4,126,678
Operation and Maintenance of Plant	4,162,520	3,944,032	3,745,653	3,573,758
Pupil Transportation	1,938,172	1,722,149	1,530,482	1,266,880
Central	291,687	247,360	291,687	243,698
Operation of Non-Instructional Services	2,230,197	1,883,317	225,530	(31,023)
Extracurricular Activities	1,310,192	1,191,246	1,262,203	1,143,794
Interest and fiscal charges	1,549,639	1,437,967	1,549,639	1,437,967
Total cost of service	<u>\$ 42,734,823</u>	<u>\$ 38,584,363</u>	<u>\$ 36,178,183</u>	<u>\$ 32,686,591</u>

The dependence upon tax revenues for governmental activities is apparent. Over 87 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is over 87 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 27. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$40,231,001 and expenditures and other financing uses of \$47,077,811. The net change in fund balance for the year was most significant in the permanent improvement fund, with a decrease of \$4,469,154 due to expenditures exceeding revenues due to the district's High School Main Stadium project which occurred primarily over the summer and fall of Fiscal Year 17.

The net fund balance decreased in the general fund by \$1,997,935 due to the amount available and held by the county at June 30, 2017 went from \$6 million to \$2 million. This was due to primarily a change in the date taxes were due in 2017.

The net fund balance decreased in the bond retirement fund by \$59,263.



**Beachwood City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
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 2017, 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 \$829,285 greater than the final budget estimates of \$34,062,252. The School District's ending un-obligated cash balance was \$2,147,707 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 sixteen amendments to the original appropriations during fiscal year 2017. The budget increased predominantly due to amendments to the grant funds.

**Capital Assets**

At the end of fiscal 2017, the School District had \$67,069,117 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 10 to the basic financial statements for more detailed information on capital asset activity. Table 4 shows fiscal 2017 balances compared to 2016:

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

	Governmental Activities	
	2017	2016
Land	\$ 978,708	\$ 978,708
Construction in progress	4,137,665	4,688,499
Land Improvements	1,675,292	1,481,323
Buildings and Building Improvements	58,490,288	55,580,584
Vehicles	736,389	655,684
Equipment	1,050,775	1,385,604
<b>Total Net Capital Assets</b>	<b>\$ 67,069,117</b>	<b>\$ 64,770,402</b>

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

For fiscal year 2017, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2017, this amounted to \$258,133 for the set aside. For fiscal year 2017, the School District had qualifying disbursements or offsets exceeding this requirement.

***Beachwood City School District***  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
*Unaudited*

**Debt**

At June 30, 2017, the School District had \$35,025,033 in bonds and notes outstanding, \$2,379,997 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 16 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1%, respectively, of the total assessed value of real and personal property. At June 30, 2017, the School District's voted general obligation bonded debt of \$28,500,619 is below the legal limit of \$40,012,787 (voted). In addition, the School District had no un-voted debt at June 30, 2017. Moody's rating for the School District's bonds is Aaa, the highest rating Moody's assigns to debt issues. The School District's Certificates of Participation was rated Aa1 by Moody's. It is typical for CoPS issues to be rated one level lower than a public entity's bond rating due to the nature of CoPS which are lease purchase transactions subject to payment via the annual appropriation measure.

**Table 5 - Outstanding Debt at June 30,**

	Governmental Activities	
	2017	2016
2010 Tax Anticipation Notes	\$ 1,785,000	\$ 2,335,000
2016 Certificates of Participation	4,565,000	4,800,000
2016 COPs Premium	174,414	191,855
2007 Advanced Refunded Bonds	129,997	129,997
2010 School Improvement Bonds	1,075,000	2,250,000
2010 School Improvement Premium	45,656	91,308
2010 Qualified School Construct Bonds	11,260,000	11,260,000
2012 School Improvement Bonds	-	830,000
2013 Refunding	4,840,000	5,055,000
2014 Refunding Tax Exempt Bonds	11,149,966	11,149,966
<b>Total Outstanding Debt</b>	<b>\$ 35,025,033</b>	<b>\$ 38,093,126</b>

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.

***Beachwood City School District***  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2017  
*Unaudited*

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**For the Future**

The School District closed out its fiscal year on June 30, 2017 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 Educational Interpreters Union (BEIU) and enjoys positive relationships with the Beachwood Federation of Teachers (BFT) Beachwood Union of Support Staff (BUSS)

The School District's current major initiative is to place a combined operating levy of 5.9 mills and a 2.8 mill bond levy to consolidate its three elementary buildings into one which will achieve educational programming opportunities in a new state of art building along with approximately \$500k in annual operating costs.

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

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*BASIC*

*FINANCIAL*

*STATEMENTS*

**Beachwood City School District**  
**Statement of Net Position**  
**June 30, 2017**

	Governmental Activities
<b>ASSETS</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 32,458,938
Cash and Cash Equivalents:	
In Segregated Accounts	134,873
Property Taxes Receivable	29,971,564
Accounts Receivable	109,403
Accrued Interest Receivable	83,447
Intergovernmental Receivable	8,492
Materials and Supplies Inventory	69,351
Nondepreciable Capital Assets	5,116,373
Depreciable Capital Assets, Net	61,952,744
<b>Total Assets</b>	<b>129,905,185</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	10,884,043
<b>Total Deferred Outflows of Resources</b>	<b>10,884,043</b>
 <b>LIABILITIES</b>	
Accounts Payable	177,496
Accrued Wages and Benefits	2,935,795
Intergovernmental Payable	449,484
Matured Bonds Payable	86,363
Accrued Interest Payable	120,133
Claims Payable	392,400
Long-term Liabilities:	
Due within one year	2,588,266
Due in more than one year:	
Net Pension Liability	59,242,905
Other amounts due in more than one year	35,069,509
<b>Total Liabilities</b>	<b>101,062,351</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	26,612,998
Pensions	1,603,147
<b>Total Deferred Inflows of Resources</b>	<b>28,216,145</b>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	31,984,915
Restricted:	
Debt Service	3,077,874
Set-Asides	134,873
State Funded Programs	75,401
Federally Funded Programs	19,877
Student Activities	69,033
Preschool	812,482
Other Purposes	61,949
Unrestricted	(24,725,672)
<b>Total Net Position</b>	<b>\$ 11,510,732</b>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2017

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 14,185,332	\$ 197,711	\$ 583,902	\$ (13,403,719)
Special	6,515,516	579,212	1,165,731	(4,770,573)
Vocational	1,221,206	346,228	320,397	(554,581)
Adult/Continuing Instruction	73,772	6,110	-	(67,662)
Other	312,115	-	-	(312,115)
Supporting Services:				
Pupils	2,627,312	223,357	237,437	(2,166,518)
Instructional Staff	2,074,132	12,616	468	(2,061,048)
Board of Education	355,408	-	-	(355,408)
Administration	2,472,009	2,917	3,341	(2,465,751)
Fiscal Services	996,628	-	-	(996,628)
Business	418,986	-	-	(418,986)
Operation and Maintenance of Plant	4,162,520	398,776	18,091	(3,745,653)
Pupil Transportation	1,938,172	2,384	405,306	(1,530,482)
Central	291,687	-	-	(291,687)
Operation of Non-Instructional Services:				
Food Service Operations	585,911	359,144	60,585	(166,182)
Community Services	1,644,286	767,277	817,661	(59,348)
Extracurricular Activities	1,310,192	47,989	-	(1,262,203)
Interest and Fiscal Charges	1,549,639	-	-	(1,549,639)
<b>Total Governmental activities</b>	<u>\$ 42,734,823</u>	<u>\$ 2,943,721</u>	<u>\$ 3,612,919</u>	<u>(36,178,183)</u>

**General Revenues:**

Property Taxes levied for:	
General Purposes	21,202,760
Other Purposes	4,177,312
Grants & Entitlements not restricted to specific programs	5,132,300
Investment Income	395,352
All Other Revenues	2,448,304
<b>Total General Revenues</b>	<u>33,356,028</u>
Change in Net Position	(2,822,155)
Net Position - Beginning of Year	14,332,887
<b>Net Position - End of Year</b>	<u>\$ 11,510,732</u>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 23,286,761	\$ 2,888,968	\$ 794,971	\$ 3,383,331	\$ 30,354,031
Cash and Cash Equivalents:					
In Segregated Accounts	134,873	-	-	-	134,873
Materials and Supplies Inventory	60,591	-	-	8,760	69,351
Accrued Interest Receivable	83,447	-	-	-	83,447
Accounts Receivable	15,270	-	-	94,133	109,403
Due from Other Funds	3,215,000	-	-	-	3,215,000
Interfund Receivable	2,046,135	-	-	-	2,046,135
Intergovernmental Receivable	-	-	-	8,492	8,492
Property Taxes Receivable	25,796,008	3,099,864	1,075,692	-	29,971,564
<b>Total Assets</b>	<b>\$ 54,638,085</b>	<b>\$ 5,988,832</b>	<b>\$ 1,870,663</b>	<b>\$ 3,494,716</b>	<b>\$ 65,992,296</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 116,697	\$ -	\$ -	\$ 60,799	\$ 177,496
Accrued Wages and Benefits	2,682,949	-	-	252,846	2,935,795
Intergovernmental Payable	378,338	-	-	71,146	449,484
Interfund Payable	-	-	-	2,046,135	2,046,135
Due to Other Funds	-	-	3,215,000	-	3,215,000
General Obligation Bonds Payable	-	86,363	-	-	86,363
<b>Total Liabilities</b>	<b>3,177,984</b>	<b>86,363</b>	<b>3,215,000</b>	<b>2,430,926</b>	<b>8,910,273</b>
<b>Deferred Inflows of Resources:</b>					
Property Taxes	22,968,511	2,704,462	940,025	-	26,612,998
Unavailable Revenues - Delinquent Property Taxes	98,291	12,686	5,767	-	116,744
Unavailable Revenues - Grants	-	-	-	8,492	8,492
Unavailable Revenues - Other	-	-	-	77,468	77,468
<b>Total Deferred Inflows of Resources</b>	<b>23,066,802</b>	<b>2,717,148</b>	<b>945,792</b>	<b>85,960</b>	<b>26,815,702</b>
<b>Fund Balances:</b>					
Nonspendable	60,591	-	-	8,760	69,351
Restricted	142,289	3,185,321	-	1,087,162	4,414,772
Committed	297,139	-	-	-	297,139
Assigned	1,093,287	-	-	-	1,093,287
Unassigned (Deficit)	26,799,993	-	(2,290,129)	(118,092)	24,391,772
<b>Total Fund Balances</b>	<b>28,393,299</b>	<b>3,185,321</b>	<b>(2,290,129)</b>	<b>977,830</b>	<b>30,266,321</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 54,638,085</b>	<b>\$ 5,988,832</b>	<b>\$ 1,870,663</b>	<b>\$ 3,494,716</b>	<b>\$ 65,992,296</b>

See accompanying notes to the basic financial statements.



***Beachwood City School District***  
Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2017

<b>Total Governmental Fund Balances</b>	<b>\$ 30,266,321</b>
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.	67,069,117
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds:	
Delinquent property taxes	\$ 116,744
Grants	8,492
Other	77,468
Total	202,704
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the governmental funds:	
Deferred Outflows - Pension	10,884,043
Deferred Inflows - Pension	(1,603,147)
Net Pension Liability	(59,242,905)
Total	(49,962,009)
Internal Service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of the District's Internal Service funds are included in Governmental Activities in the Statement of Net Position.	1,712,507
Long-term liabilities, including capital leases, are not due and payable in the current period and therefore are not reported in the funds:	
Long-Term Notes Payable	(6,524,414)
General Obligation Bonds	(28,500,619)
Accrued interest payable	(120,133)
Capital leases	(59,169)
Compensated absences	(2,573,573)
Total	(37,777,908)
<b>Net Position of Governmental Activities</b>	<b>\$ 11,510,732</b>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property and Other Local Taxes	\$ 21,888,345	\$ 3,426,942	\$ 22,821	\$ -	\$ 25,338,108
Intergovernmental	5,532,448	1,008,495	100,718	1,974,385	8,616,046
Interest	324,947	-	68,649	1,756	395,352
Tuition and Fees	527,907	-	-	1,708,844	2,236,751
Extracurricular Activities	-	-	-	69,979	69,979
Rentals	382,979	-	-	-	382,979
Customer Sales and Services	117,574	-	-	387,525	505,099
Contributions and Donations	2,620	-	-	11,632	14,252
All Other Revenues	2,419,186	-	9,520	8,798	2,437,504
<b>Total Revenues</b>	<u>31,196,006</u>	<u>4,435,437</u>	<u>201,708</u>	<u>4,162,919</u>	<u>39,996,070</u>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular	11,692,944	-	-	70,527	11,763,471
Special	5,402,040	-	-	799,472	6,201,512
Vocational	426,428	-	-	871,970	1,298,398
Adult/Continuing	2,775	-	-	77,881	80,656
Other	208,391	-	-	-	208,391
Supporting Services:					
Pupils	1,838,381	-	-	681,556	2,519,937
Instructional Staff	1,726,144	-	-	8,625	1,734,769
Board of Education	332,135	-	-	-	332,135
Administration	2,301,631	-	-	8,659	2,310,290
Fiscal Services	1,166,783	-	-	4,638	1,171,421
Business	389,899	-	-	-	389,899
Operation and Maintenance of Plant	3,875,242	-	14,534	48,714	3,938,490
Pupil Transportation	1,748,501	-	-	-	1,748,501
Central	280,386	-	-	-	280,386
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	496,982	496,982
Community Services	73,182	-	-	1,444,644	1,517,826
Extracurricular Activities	1,092,292	-	-	166,945	1,259,237
Capital Outlay	405,082	-	4,656,328	5,764	5,067,174
Debt Service:					
Principal Retirement	57,737	3,005,000	-	-	3,062,737
Interest and Fiscal Charges	2,899	1,489,700	-	-	1,492,599
<b>Total Expenditures</b>	<u>33,022,872</u>	<u>4,494,700</u>	<u>4,670,862</u>	<u>4,686,377</u>	<u>46,874,811</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,826,866)</u>	<u>(59,263)</u>	<u>(4,469,154)</u>	<u>(523,458)</u>	<u>(6,878,741)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	31,931	-	-	-	31,931
Transfers In	-	-	-	203,000	203,000
Transfers Out	(203,000)	-	-	-	(203,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(171,069)</u>	<u>-</u>	<u>-</u>	<u>203,000</u>	<u>31,931</u>
Net Change in Fund Balances	(1,997,935)	(59,263)	(4,469,154)	(320,458)	(6,846,810)
Fund Balances - Beginning of Year	30,391,234	3,244,584	2,179,025	1,298,288	37,113,131
<b>Fund Balances - End of Year</b>	<u>\$ 28,393,299</u>	<u>\$ 3,185,321</u>	<u>\$ (2,290,129)</u>	<u>\$ 977,830</u>	<u>\$ 30,266,321</u>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

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**Net Change in Fund Balances-Total Governmental Funds** \$ (6,846,810)

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

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

Capital outlay	\$ 5,067,174	
Depreciation	(2,768,459)	
Total		2,298,715

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

Delinquent property taxes	116,744	
Grants	8,492	
Other	77,468	
Total		202,704

Repayment of notes, bonds and capital lease principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 3,062,737

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 2,966,836

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (4,257,416)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental funds.

Compensated absences	(254,640)	
Accrued interest	(120,133)	
Amortization of bond premiums	63,093	
Total		(311,680)

Internal Service funds are used by management to charge costs to certain activities, such as insurance to individual funds. The net revenue (expense) of the Internal Service fund are reported in the Governmental Activities. 62,759

**Change in Net Position of Governmental Activities** **\$ (2,822,155)**

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balance – Budget (Non-GAAP Basis) and Actual**  
**General**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 25,304,454	\$ 25,304,454	\$ 25,757,221	\$ 452,767
Intergovernmental	5,069,464	5,667,514	5,532,448	(135,066)
Interest	300,000	300,000	380,665	80,665
Tuition and Fees	425,928	425,928	285,023	(140,905)
Rent	336,545	336,545	382,979	46,434
Contributions and Donations	8,500	8,500	2,620	(5,880)
Customer Sales and Services	134,750	134,750	121,308	(13,442)
Miscellaneous	1,384,561	1,884,561	2,429,273	544,712
<b>Total Revenues</b>	<b>32,964,202</b>	<b>34,062,252</b>	<b>34,891,537</b>	<b>829,285</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	11,851,820	11,961,334	11,769,780	191,554
Special	5,606,783	5,603,658	5,450,728	152,930
Vocational	505,339	505,339	374,063	131,276
Student Intervention Services	1,711	1,711	2,775	(1,064)
Other	245,219	245,219	209,492	35,727
<b>Support Services:</b>				
Pupils	1,883,428	1,881,557	1,815,778	65,779
Instructional Staff	1,976,724	1,974,611	1,821,281	153,330
Board of Education	400,643	400,643	352,339	48,304
Administration	2,369,721	2,369,552	2,304,047	65,505
Fiscal	1,162,498	1,158,280	1,124,581	33,699
Business	421,057	417,057	385,454	31,603
Operation and Maintenance of Plant	4,151,905	4,065,362	3,991,986	73,376
Pupil Transportation	2,033,296	2,026,931	1,903,535	123,396
Central	338,078	336,968	288,866	48,102
Community Services	77,500	77,500	75,192	2,308
<b>Extracurricular Activities:</b>				
Academic Oriented Activities	170,403	170,403	156,896	13,507
Sport Oriented Activities	857,823	857,823	841,883	15,940
School and Public Service Co-Curricular Activities	46,184	46,184	45,811	373
<b>Total Expenditures</b>	<b>34,100,132</b>	<b>34,100,132</b>	<b>32,914,487</b>	<b>1,185,645</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,135,930)</b>	<b>(37,880)</b>	<b>1,977,050</b>	<b>2,014,930</b>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	413,000	413,000	433,535	20,535
Proceeds from Sale of Capital Assets	22,000	22,000	31,931	9,931
Refund of Prior Year Expenditures	2,500	2,500	3,777	1,277
Transfers Out	(941,500)	(941,500)	(940,466)	1,034
Advances Out	(100,000)	(100,000)	-	100,000
<b>Total Other Financing Sources and Uses</b>	<b>(604,000)</b>	<b>(604,000)</b>	<b>(471,223)</b>	<b>132,777</b>
<b>Net Change in Fund Balances</b>	<b>(1,739,930)</b>	<b>(641,880)</b>	<b>1,505,827</b>	<b>2,147,707</b>
<b>Fund Balance at Beginning of Year, Restated</b>	<b>19,928,375</b>	<b>19,928,375</b>	<b>19,928,375</b>	<b>-</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>271,608</b>	<b>271,608</b>	<b>271,608</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 18,460,053</b>	<b>\$ 19,558,103</b>	<b>\$ 21,705,810</b>	<b>\$ 2,147,707</b>

See accompanying notes to the basic financial statements

**Beachwood City School District**  
Statement of Fund Net Position  
Proprietary Fund  
June 30, 2017

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	<b>Governmental Activities - Internal Service Fund</b>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 2,104,907
<b>Total Assets</b>	<u>2,104,907</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Claims Payable	392,400
<b>Total Liabilities</b>	<u>392,400</u>
<b>NET POSITION</b>	
Unrestricted	1,712,507
<b>Total Net Position</b>	<u>\$ 1,712,507</u>

See accompanying notes to the basic financial statements.

***Beachwood City School District***  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2017

	<b>Governmental Activities - Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 3,270,681
Miscellaneous	217,579
<b>Total Operating Revenues</b>	<b>3,488,260</b>
<b>OPERATING EXPENSES</b>	
Claims	3,350,726
<b>Total Operating Expenses</b>	<b>3,350,726</b>
Change in Net Position	137,534
Net Position - Beginning of Year	1,574,973
<b>Net Position - End of Year</b>	<b>\$ 1,712,507</b>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2017

	<b>Governmental Activities - Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Self Insurance Premiums	\$ 3,488,260
Cash Payments for Claims	(3,422,826)
Net Cash Provided by Operating Activities	<u>65,434</u>
 Net Increase in Cash and Cash Equivalents	 65,434
 Cash and Cash Equivalents - Beginning of Year	 <u>2,039,473</u>
<b>Cash and Cash Equivalents - End of Year</b>	<b><u><u>\$ 2,104,907</u></u></b>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 137,534
Adjustments:	
Increase (Decrease) in Liabilities:	
Claims Payable	(72,100)
Net Cash Provided by Operating Activities	<u><u>\$ 65,434</u></u>

See accompanying notes to the basic financial statements.

**Beachwood City School District**  
Statement of Fiduciary Net Position  
Fiduciary Fund  
June 30, 2017

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	<u>Agency Funds</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 932,612
<b>Total Assets</b>	<u>\$ 932,612</u>
<b>Liabilities</b>	
Undistributed Monies	\$ 806,311
Due to Students	126,301
<b>Total Liabilities</b>	<u>\$ 932,612</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, 2017

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

The Beachwood City School District (the “School District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The 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 166 certificated teaching personnel, 119 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 2017 fiscal year was 1,510. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

**Reporting Entity**

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

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

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

Jointly Governed Organizations:

Ohio Schools’ Council Association  
Lake Geauga Computer Association

Public Entity Risk Pool:

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, 2017

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**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**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 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.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**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.

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.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension 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, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, intergovernmental grants and other revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 13)

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

**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.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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 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 2017, investments were limited to FNMA, Federal Farm Credit, FHLB, FHLM, commercial paper, negotiable certificates of deposits, and STAR Ohio.

During fiscal year 2017, 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 2017, 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 2017 amounted to \$324,947, with interest earned assigned from other funds in the amount of \$21,237.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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, 2017, 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**

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

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

**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 17 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, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value. The School District maintains a capitalization threshold of one thousand dollars with the exception of any items deemed by the Business Manager to be capitalized. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general capital assets is not capitalized.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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

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

**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.



**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**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 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.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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 2017.

**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 – Change in Accounting Principles**

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

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The implementation of GASB Statement No. 74 did not have an effect on the financial statements of the School District.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. The implementation of GASB Statement No. 77 did not have an effect on the financial statements of the School District.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the School District.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the School District.

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the School District.

**Note 4 - Accountability**

Fund balances at June 30, 2017, included the following fund deficit balances

	Fund Balance Deficits
<u>Major Fund</u>	
Permanent Improvement	\$ 2,290,129
<u>Nonmajor Funds</u>	
Food Service	38,192
Recreation	7,974
Consortium	63,166

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

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 5 - Budgetary Basis of Accounting**

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance	
GAAP Basis	\$ (1,997,935)
Net Adjustment for Revenue Accruals	3,708,628
Net Adjustments for Expenditure Accruals	348,770
Funds with Separate Legally Adopted Budgets	(240,211)
Adjustment for Encumbrances	(313,425)
Budget Basis	\$ 1,505,827

The beginning balance were restated on the statement of revenues, expenditures and changes in fund balances – Budget and Actual statement for the General Fund and Special Trust Funds.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

**Note 6 – Fund Balances**

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

Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total
<i>Nonspendable</i>					
Inventories	60,591	-	-	8,760	69,351
<i>Total Nonspendable</i>	<u>60,591</u>	<u>-</u>	<u>-</u>	<u>8,760</u>	<u>69,351</u>
<i>Restricted for</i>					
Budget Stabilization	134,873	-	-	-	134,873
Unclaimed Funds	7,416	-	-	-	7,416
Expandable Trust Funds	-	-	-	18,853	18,853
Uniform Supplies	-	-	-	296	296
Marketing School Store	-	-	-	11,776	11,776
Pupil Support	-	-	-	25,457	25,457
Local Grants	-	-	-	5,567	5,567
Preschool	-	-	-	842,865	842,865
District Managed Student Activities	-	-	-	69,033	69,033
State Grants	-	-	-	101,929	101,929
Federal Grants	-	-	-	11,386	11,386
Bond Retirement	-	3,185,321	-	-	3,185,321
<i>Total Restricted</i>	<u>142,289</u>	<u>3,185,321</u>	<u>-</u>	<u>1,087,162</u>	<u>4,414,772</u>
<i>Committed to</i>					
Instruction	131,528	-	-	-	131,528
Support Services	163,601	-	-	-	163,601
Operation of Non-Instructional Services	2,010	-	-	-	2,010
<i>Total Committed</i>	<u>297,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,139</u>
<i>Assigned to</i>					
FY 2018 Appropriations	1,093,287	-	-	-	1,093,287
<i>Total Assigned</i>	<u>1,093,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,093,287</u>
<i>Unassigned (Deficit)</i>	<u>26,799,993</u>	<u>-</u>	<u>(2,290,129)</u>	<u>(118,092)</u>	<u>24,391,772</u>
<b>Total Fund Balances</b>	<u><u>\$ 28,393,299</u></u>	<u><u>\$ 3,185,321</u></u>	<u><u>\$ (2,290,129)</u></u>	<u><u>\$ 977,830</u></u>	<u><u>\$ 30,266,321</u></u>

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 7 - Deposits and Investments**

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

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

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

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

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

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

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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 \$905,417. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$371,637 of the District's bank balance of \$1,192,119 was exposed to custodial risk as discussed below, while \$820,483 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**

All investments are in an internal investment pool. STAR Ohio is measured at net asset value (NAV) per share while all other investments are measured at fair value. The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The below tables identify the School District's recurring fair value measurement as of June 30, 2017. As previously discussed Star Ohio is reported at its net asset value. All other investments of the School District are valued using quoted market prices (Level 2 inputs).

***Beachwood City School District***  
Notes to the Basic Financial Statements  
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As of June 30, 2017, the School District had the following investments and maturities:

	<u>Fair Value/NAV</u>	<u>Maturity</u>
Certificate of Deposit BNY Mellon	\$ 248,534	04/19/21
Certificate of Deposit Fifth Third	250,994	08/26/20
Certificate of Deposit FNC	103,173	06/28/19
Certificate of Deposit Huntington	248,069	09/18/17
Certificate of Deposit Key Bank	246,578	11/30/21
Certificate of Deposit Multi-Bank	249,017	09/21/17
Certificate of Deposit Multi-Bank	248,067	10/16/17
Certificate of Deposit Multi-Bank	248,067	10/16/17
Certificate of Deposit Multi-Bank	251,037	09/18/19
Certificate of Deposit Multi-Bank	249,334	10/22/19
Certificate of Deposit Northeastern	248,034	08/15/17
Certificate of Deposit Northeastern	247,953	09/25/17
Certificate of Deposit Northeastern	127,032	09/29/17
Certificate of Deposit Northeastern	248,528	06/25/18
Certificate of Deposit Northeastern	248,506	07/18/18
Certificate of Deposit Northeastern	248,503	07/23/18
Certificate of Deposit Northeastern	248,875	06/20/19
Certificate of Deposit Northeastern	248,803	08/20/19
Certificate of Deposit Northeastern	154,568	08/21/19
Certificate of Deposit Northeastern	246,981	10/07/19
Certificate of Deposit Northeastern	248,603	04/30/20
Certificate of Deposit Northeastern	248,551	05/28/20
Certificate of Deposit Stifel Nicholas	247,667	06/24/19
Certificate of Deposit Tristate	245,000	04/24/18
Commercial Paper BNY Mellon	1,234,506	07/21/17
Commercial Paper BNY Mellon	982,813	01/03/18
Commercial Paper BNY Mellon	495,860	01/29/18
Commercial Paper Huntington	1,593,654	11/20/17
Commercial Paper JP Morgan	1,383,559	03/13/18
Commercial Paper Key Bank	799,440	07/21/17
Commercial Paper Key Bank	679,328	01/29/18
Commercial Paper Key Bank	644,027	02/13/18
Commercial Paper Toyota	1,390,644	11/20/17
Federal Farm Credit	649,422	04/13/21
Federal Farm Credit	1,234,869	12/06/21
Federal Home Loan Bank	1,495,785	11/24/21
Federal Home Loan Mortgage	495,645	05/24/19
Federal Home Loan Mortgage	248,885	08/28/19
Federal Home Loan Mortgage	743,062	10/18/19
Federal Home Loan Mortgage	344,848	05/26/20
Federal Home Loan Mortgage	488,850	09/08/20
Federal Home Loan Mortgage	1,099,463	10/19/20
Federal Home Loan Mortgage	492,920	11/23/20
Federal Home Loan Mortgage	1,573,912	03/14/22
Federal Home Loan Mortgage	420,088	03/14/22
Federal Home Loan Mortgage	899,568	04/11/22
Federal National Mortgage	493,875	07/11/19
Federal National Mortgage	495,092	07/26/19
Federal National Mortgage	487,370	07/28/20
Federal National Mortgage	1,113,311	10/28/20
STAR Ohio	5,033,536	
	<u>\$ 32,614,806</u>	



***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Interest Rate Risk**

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

**Credit Risk**

The Federal Home Loan Mortgage, Federal Home Loan Bank, and Federal National Mortgage Assoc. carry a rating of AA+ by Standard & Poor's, Federal Farm 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 negotiable certificates of deposit were not rated. The School District has no investment policy that would further limit its investment choices.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commercial Paper, Federal Home Loan Mortgage, Federal Home Loan Bank 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 trustee. At fiscal year end, the School District's investment in negotiable certificates of deposit of \$5,600,474 was fully covered by the FDIC.

**Concentration of Credit Risk**

The School District places no limit on the amount it may invest in any one issuer. The School District's investments in the Federal Home Loan Mortgage represents 20.9%, Federal Home Loan Bank represents 4.6%, Federal National Mortgage 7.9%, Federal Farm Credits 5.8%, Commercial Paper 28.2%, negotiable certificates of deposit represents 17.2% and STAR Ohio representing 15.4% of the School District's total investments.

**Note 8 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

Real property taxes received in calendar year 2016 were levied after April 1, 2016, on the assessed value listed as of January 1, 2017, 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 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 become a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 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, 2017, are available to finance fiscal year 2017 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, 2017 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, 2017 was \$2,729,206 for the General Fund, \$382,716 in the Bond Retirement Fund, and \$129,901 in the Permanent Improvement Fund

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second- Half Collections		2017 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 351,919,860	48.87%	\$ 351,804,700	48.47%
Industrial/Commercial	355,263,310	49.34%	360,496,270	49.66%
Public Utility	12,895,080	1.79%	13,566,640	1.87%
Total Assessed Value	\$ 720,078,250	100.00%	\$ 725,867,610	100%

Tax rate per \$1,000 of Assessed valuation	\$ 86.40	\$ 86.40
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**Note 9 - Receivables**

Receivables at June 30, 2017, 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, 2017

**Note 10 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
<b><u>Governmental Activities</u></b>				
Capital Assets, not being depreciated:				
Land	978,708	-	-	978,708
Construction in Progress	4,688,499	3,518,109	(4,068,943)	4,137,665
Total Capital Assets, not being depreciated	<u>5,667,207</u>	<u>3,518,109</u>	<u>(4,068,943)</u>	<u>5,116,373</u>
Capital Assets, being depreciated:				
Land Improvements	3,389,063	323,523	-	3,712,586
Buildings and Buildings Improvements	79,629,346	4,697,565	-	84,326,911
Vehicles	2,032,098	216,624	(141,137)	2,107,585
Equipment	7,934,396	380,296	(235,856)	8,078,836
Total Capital Assets, being depreciated	<u>92,984,903</u>	<u>5,618,008</u>	<u>(376,993)</u>	<u>98,225,918</u>
Less Accumulated Depreciation:				
Land Improvements	(1,907,740)	(129,554)	-	(2,037,294)
Buildings and Buildings Improvements	(24,048,762)	(1,787,861)	-	(25,836,623)
Vehicles	(1,376,414)	(135,919)	141,137	(1,371,196)
Equipment	(6,548,792)	(715,125)	235,856	(7,028,061)
Total Accumulated Depreciation	<u>(33,881,708)</u>	<u>(2,768,459)</u>	<u>376,993</u>	<u>(36,273,174)</u>
<b>Total Capital Assets being depreciated, Net</b>	<u>59,103,195</u>	<u>2,849,549</u>	<u>-</u>	<u>61,952,744</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>64,770,402</u>	<u>6,367,658</u>	<u>(4,068,943)</u>	<u>67,069,117</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		1,704,511
Special		63,838
Vocational		54,658
Recreation		4,865
Support Services:		
Pupil		46,260
Instructional Staff		232,765
Board of Education		23,386
Administration		36,538
Fiscal		4,731
Business		12,667
Operation and Maintenance of Plant		190,469
Pupil Transportation		139,536
Central		46,594
Operation of Non-Instructional Services:		
Food Services		98,875
Community Services		68,164
Extracurricular Activities		40,602
<b>Total Depreciation Expense</b>		<u>2,768,459</u>

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 11 – Inter-fund Transactions**

As of June 30, 2017, on the fund financial statements, the Consortium fund, which is a Nonmajor governmental fund, owed the General Fund \$2,046,135. The School District's consortium funds provide services to local surrounding school districts. Costs are billed on a per pupil basis. The School District incurs administrative and operational costs that are billed to the consortium districts but are costs that are incurred by the general fund. Over time, the consortium funds owe the general fund these dollars.

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

During the year ended June 30, 2017, the General Fund transferred \$203,000 to Other Nonmajor Governmental Funds. The transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Note 12 - Risk Management**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 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.

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.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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 2017, total claims expense of \$3,350,726 was recognized, which represents actual claims processed and paid as of June 30, 2017. Individual funds are charged for these medical expenses based on an estimate of total cost for the School District as prepared by the plan administrator, and are recorded as revenues of the Internal Service Fund.

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims paid</u>	<u>Ending Balance</u>
2016	\$ 487,300	\$ 3,539,959	\$ 3,562,759	\$ 464,500
2017	464,500	3,350,726	3,422,826	\$ 392,400

**Note 13 - Defined Benefit Pension Plans**

*Net Pension Liability*

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

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

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

**Beachwood City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

One year after an effective benefit date, a benefit recipient is entitled to a 3 percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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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, 2017, the allocation to pension, death benefits, and Medicare B was 14.00 percent. No allocation was made to the Health Care Fund.

The School District's contractually required contribution to SERS was \$853,115 for fiscal year 2017. Of this amount \$36,352 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](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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.

**Beachwood City School District**  
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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. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent 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 \$2,113,721 for fiscal year 2017. Of this amount \$311,057 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.1893345%	0.14090955%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.1850622%</u>	<u>0.13652209%</u>	
Change in Proportionate Share	<u>-0.0042723%</u>	<u>-0.0043875%</u>	
Proportionate Share of the Net Pension			
Liability	\$13,544,846	\$45,698,059	\$59,242,905
Pension Expense	\$1,117,724	\$3,139,692	\$4,257,416



**Beachwood City School District**  
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At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 182,688	\$ 1,846,423	\$ 2,029,111
Changes of assumptions	904,192	-	904,192
Net difference between projected and actual earnings on pension plan investments	1,117,256	3,794,165	4,911,421
Changes in proportion and differences	-	72,483	72,483
School District contributions subsequent to the measurement date	<u>853,115</u>	<u>2,113,721</u>	<u>2,966,836</u>
Total Deferred Outflows of Resources	<u>\$ 3,057,251</u>	<u>\$ 7,826,792</u>	<u>\$ 10,884,043</u>
<b>Deferred Inflows of Resources</b>			
Changes in proportion and differences	<u>\$ 607,552</u>	<u>\$ 995,595</u>	<u>\$ 1,603,147</u>

\$2,966,836 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$284,779	\$668,337	\$953,116
2019	283,974	668,336	952,310
2020	706,665	2,124,267	2,830,932
2021	<u>321,166</u>	<u>1,256,536</u>	<u>1,577,702</u>
Total	<u>\$1,596,584</u>	<u>\$4,717,476</u>	<u>\$6,314,060</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 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.

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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, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.00 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$17,932,531	\$13,544,846	\$9,872,170

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2016, 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, including inflation
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.

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, 2016, 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.

**Beachwood City School District**  
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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, 2016. 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, 2016. 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, 2016.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 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	\$60,729,007	\$45,698,059	\$33,018,568

**Changes Between Measurement Date and Report Date** In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's NPL is expected to be significant.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 14 – Other Post-Employment Benefits (OPEB)**

**A. School Employee Retirement System**

Plan Description – In addition to a cost-sharing, multiple-employer defined benefit pension plan the School Employees Retirement System (SERS) administers two post-employment benefit plans.

Health Care Plan - Sections 3309.375 and 3309.69 of the Ohio Revised Code permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plan.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer 14 percent contribution to the Health Care Fund in accordance with the funding policy. For the year ended June 30, 2017, the health care allocation is 0.00 percent. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. By statute no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the minimum compensation level was established at \$23,500. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund.

The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$101,760, \$94,787 and \$45,603; the full amount has been recorded as an intergovernmental payable for fiscal year 2017 and 100 percent has been contributed for fiscal years 2016 and 2015.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care plan are included in its Comprehensive Annual Financial Report. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**B. State Teachers Retirement System**

Plan Description – STRS Ohio administers a pension plan that is comprised of a Defined Benefit Plan, a self-directed Defined Contribution Plan, and a Combined Plan that is a hybrid of the Defined Benefit Plan and the Defined Contribution Plan.

**Beachwood City School District**  
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Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums.

Pursuant to Chapter 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy - Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14.00 percent employer contribution rate, no allocation was made to post-employment health care for the years ended June 30, 2017, June 30, 2016 and June 30, 2015. The 14.00 percent employer contribution rate is the maximum rate established under Ohio law.

**Note 15 - 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.

**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 \$3,239,761. The School District received a 7.5 % increase in premium due to an increase in RX and health claims. Individual stop loss coverage is set at \$100,000.

**Beachwood City School District**  
Notes to the Basic Financial Statements  
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**Note 16 – Long-Term Obligations**

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

	Principal Outstanding 6/30/2016	Additions	Reduction	Principal Outstanding 6/30/2017	Amounts Due in One Year
<b>Governmental Activities</b>					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$ 2,335,000	\$ -	\$ 550,000	\$ 1,785,000	\$ 550,000
2016 COPS 2.47%	4,800,000	-	235,000	4,565,000	370,000
2016 COPS Premium-	191,855	-	17,441	174,414	-
Total Long-Term Notes Payable	<u>7,326,855</u>	<u>-</u>	<u>802,441</u>	<u>6,524,414</u>	<u>920,000</u>
<b>General Obligation Bonds</b>					
2007 Advanced Refunding 4.0% - 4.25%	129,997	-	-	129,997	129,997
2010 School Improvement 1.25-3.0%	2,250,000	-	1,175,000	1,075,000	1,075,000
2010 School Improvement Premium	91,308	-	45,652	45,656	-
2010 QSCB Bonds 5.125%	11,260,000	-	-	11,260,000	120,000
2012 Refunding 1%-2%	830,000	-	830,000	-	-
2013 Refunding .45-3.05%	5,055,000	-	215,000	4,840,000	135,000
2014 Refunding Tax Exempt 3-3.25%	11,149,966	-	-	11,149,966	-
Total General Obligation Bonds	<u>30,766,271</u>	<u>-</u>	<u>2,265,652</u>	<u>28,500,619</u>	<u>1,459,997</u>
<b>Net Pension Liability:</b>					
STRS	38,943,279	6,754,780	-	45,698,059	-
SERS	10,803,609	2,741,237	-	13,544,846	-
Total Net Pension Liability	<u>49,746,888</u>	<u>9,496,017</u>	<u>-</u>	<u>59,242,905</u>	<u>-</u>
Capital Lease	116,906	-	57,737	59,169	59,169
Compensated Absences Payable	2,318,933	349,426	94,786	2,573,573	149,100
Long-Term Liabilities	<u>2,435,839</u>	<u>349,426</u>	<u>152,523</u>	<u>2,632,742</u>	<u>208,269</u>
Total Long-Term Liabilities	<u>\$ 90,275,853</u>	<u>\$ 9,845,443</u>	<u>\$ 3,220,616</u>	<u>\$ 96,900,680</u>	<u>\$ 2,588,266</u>

**Beachwood City School District**  
Notes to the Basic Financial Statements  
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**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 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 2017.

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 will mature on December 1, 2021. Net present value savings is \$312,100.



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

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

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

Compensated absences will be paid from the funds from which the employee's salaries are paid. Compensated absences are generally liquidated by the general fund. 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, 2017.

Fiscal Year Ending June 30	
2018	\$ 60,636
Total Minimum Lease Payments	<u>60,636</u>
Less: Amount Representing Interest	<u>(1,467)</u>
Present Value of Lease Payments	<u>\$ 59,169</u>
 Capital Assets at Gross Cost:	 \$ 469,177
Less: Accumulated Depreciation	<u>(304,324)</u>
Net Book Value	<u>\$ 164,853</u>

The School District's overall voted debt margin was \$40,012,787 with an un-voted debt margin of \$725,868 at June 30, 2017.

**Beachwood City School District**  
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Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2017, were as follows:

Fiscal Year Ending	Long-Term Notes Payable/COPs		General Obligation Bonds		Capital Lease		Total	
	Principal	Interest *	Principal	Interest *	Principal	Interest	Principal	Interest
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	-	-	3,315,000	1,394,526
2020	1,065,000	237,288	2,405,000	992,818	-	-	3,470,000	1,230,106
2021	390,000	95,400	2,410,000	964,965	-	-	2,800,000	1,060,365
2022	400,000	85,500	2,440,000	931,314	-	-	2,840,000	1,016,814
2023-2027	2,175,000	238,275	11,794,966	4,291,709	-	-	13,969,966	4,529,984
2028-2032	475,000	7,125	5,480,000	362,756	-	-	5,955,000	369,881
2033-2035	-	-	75,000	3,938	-	-	75,000	3,938
Total	<u>\$6,350,000</u>	<u>\$1,429,088</u>	<u>\$28,454,963</u>	<u>\$10,461,515</u>	<u>\$59,169</u>	<u>\$1,467</u>	<u>\$34,864,132</u>	<u>\$11,892,070</u>

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

**Note 17 - Set-Asides**

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

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 Balance as of June 30, 2016	\$ -	\$ 134,873
Current Year Set-Aside Requirements	258,133	-
Qualifying Disbursements	(5,144,872)	-
Total	<u>\$ (4,886,739)</u>	<u>\$ 134,873</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$ (4,886,739)</u>	-
Set-Aside Balance as of June 30, 2017	<u>\$ (4,886,739)</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 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.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 18 – 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 2017, the School District paid \$143,896 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 Constellation New Energy (formerly Compass as of July 1, 2017). The current supplier gas agreement ends June 30, 2018. OSC have a variable rate with a 100% swing tolerance (so any over/under usage does not incur additional charges). OSC currently have 157 districts in the program and we service the Columbia and Dominion territories. Savings were 1.3 million for Fy'17. The OSC gas program bills each district a level billing amount each month (aka budget billing) for consumption based on last year's usage with an ending year balance calculated at the end of the fiscal year. If there is a positive balance the district can request a refund or use the credit toward future invoices until the amount is used up. The utility invoices the district for transportation.

In May 2014, The Ohio Schools Council negotiated and approved a contract for discounted electric generation with First Energy Solutions through Power4Schools(P4S) for schools in the FirstEnergy territory—Ohio Edison, Cleveland Electric Illuminating and Toledo Edison. The price was \$.602 per kWh for all district facilities and was guaranteed through May 31, 2017 and \$.518 per kWh through December 2019. There are 110 districts participating in this program including Beachwood School District.

*Lake Geauga Computer Association* - The Lake Geauga Computer Association ("LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The School District contributed \$51,504 to LGCA during fiscal year 2017.

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.

***Beachwood City School District***  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017

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**Note 19 - Contingencies**

***A. Grants***

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2017.

***B. Litigation***

The School District has been named as a defendant in several court cases through the period ended June 30, 2017. 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. 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, 2017 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.

**Note 20 – Contractual Commitments**

At June 30, 2017, 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 Main Stadium Renovation	\$4,453,165	\$4,145,869	\$307,296

**Note 21 - Miscellaneous Revenue**

During Fiscal Year 2017, the Beachwood City School District Board of Education received unbudgeted revenue in the amount of \$1.6 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 2017.

*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 Four Fiscal Years (1)**

	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.1850622%	0.1893345%	0.203489%	0.203489%
School District's Proportionate Share of the Net Pension Liability	\$ 13,544,846	\$ 10,803,609	\$ 10,298,462	\$ 12,100,838
School District's Covered Payroll	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	242.04%	182.88%	192.23%	229.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

***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 Four Fiscal Years (1)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.13652209%	0.14090955%	0.14048700%	0.14048700%
School District's Proportionate Share of the Net Pension Liability	\$ 45,698,059	\$ 38,943,279	\$ 34,171,300	\$ 40,704,629
School District's Covered Payroll	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	314.98%	254.60%	218.83%	263.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available. Schedule is intended to show ten years of information, and additional years' will be displayed as it becomes available.

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually Required Contribution	\$ 853,115	\$ 783,465	\$ 778,586	\$ 742,520	\$ 728,417	\$ 765,115	\$ 811,377	\$ 655,527	\$ 535,319	\$ 564,242
Contributions in Relation to the Contractually Required Contribution	<u>(853,115)</u>	<u>(783,465)</u>	<u>(778,586)</u>	<u>(742,520)</u>	<u>(728,417)</u>	<u>(765,115)</u>	<u>(811,377)</u>	<u>(655,527)</u>	<u>(535,319)</u>	<u>(564,242)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869	\$ 4,841,411	\$ 5,440,234	\$ 5,745,845
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%	9.82%



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually Required Contribution	\$ 2,113,721	\$ 2,031,181	\$ 2,141,448	\$ 2,030,014	\$ 2,011,088	\$ 1,900,949	\$ 1,883,505	\$ 1,834,757	\$ 1,855,764	\$ 1,774,920
Contributions in Relation to the Contractually Required Contribution	<u>(2,113,721)</u>	<u>(2,031,181)</u>	<u>(2,141,448)</u>	<u>(2,030,014)</u>	<u>(2,011,088)</u>	<u>(1,900,949)</u>	<u>(1,883,505)</u>	<u>(1,834,757)</u>	<u>(1,855,764)</u>	<u>(1,774,920)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500	\$ 14,113,515	\$ 14,275,108	\$ 13,653,231
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

***Beachwood City School District***  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2017

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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 2014-2017.

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

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 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. 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.

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

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

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

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

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

(continued)

### Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

### **Nonmajor Proprietary Fund**

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as internal service funds.

### Internal Service Fund

The Internal Service Fund is used to account for the financing of services provided by one department to other departments of the government or to other Districts on a cost reimbursement basis.

Health Care Benefits – This fund is used to account for receipt and expenditure of funds for health, vision, dental and prescription drug claims for employees.

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**Beachwood City School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

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	<b>Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 3,383,331	\$ 3,383,331
Materials and Supplies Inventory	8,760	8,760
Accounts Receivable	94,133	94,133
Intergovernmental Receivable	8,492	8,492
<b>Total Assets</b>	<b>\$ 3,494,716</b>	<b>\$ 3,494,716</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 60,799	\$ 60,799
Accrued Wages and Benefits	252,846	252,846
Intergovernmental Payable	71,146	71,146
Interfund Payable	2,046,135	2,046,135
<b>Total Liabilities</b>	<b>2,430,926</b>	<b>2,430,926</b>
<b>Deferred Inflows of Resources:</b>		
Unavailable Revenues - Grants	8,492	8,492
Unavailable Revenues - Other	77,468	77,468
<b>Total Deferred Inflows of Resources</b>	<b>85,960</b>	<b>85,960</b>
<b>Fund Balances:</b>		
Nonspendable	8,760	8,760
Restricted	1,087,162	1,087,162
Unassigned (Deficit)	(118,092)	(118,092)
<b>Total Fund Balances</b>	<b>977,830</b>	<b>977,830</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,494,716</b>	<b>\$ 3,494,716</b>

**Beachwood City School District**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
June 30, 2017

	<b>Nonmajor Special Revenue Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>		
Intergovernmental	\$ 1,974,385	\$ 1,974,385
Interest	1,756	1,756
Tuition and Fees	1,708,844	1,708,844
Extracurricular Activities	69,979	69,979
Customer Sales and Services	387,525	387,525
Contributions and Donations	11,632	11,632
All Other Revenues	8,798	8,798
<b>Total Revenues</b>	<b>4,162,919</b>	<b>4,162,919</b>
<b>EXPENDITURES</b>		
Current:		
Instruction:		
Regular	70,527	70,527
Special	799,472	799,472
Vocational Instruction	871,970	871,970
Adult/Continuing Instruction	77,881	77,881
Supporting Services:		
Pupils	681,556	681,556
Instructional Staff	8,625	8,625
Administration	8,659	8,659
Fiscal Services	4,638	4,638
Operation and Maintenance of Plant	48,714	48,714
Operation of Non-Instructional Services:		
Food Service Operations	496,982	496,982
Community Services	1,444,644	1,444,644
Extracurricular Activities	166,945	166,945
Capital Outlay	5,764	5,764
<b>Total Expenditures</b>	<b>4,686,377</b>	<b>4,686,377</b>
Excess of Revenues Over (Under) Expenditures	(523,458)	(523,458)
<b>OTHER FINANCING SOURCES</b>		
Transfers In	203,000	203,000
<b>Total Other Financing Sources</b>	<b>203,000</b>	<b>203,000</b>
Net Change in Fund Balances	(320,458)	(320,458)
Fund Balances - Beginning of Year	1,298,288	1,298,288
<b>Fund Balances - End of Year</b>	<b>\$ 977,830</b>	<b>\$ 977,830</b>

**Beachwood City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

	<b>Food Service</b>	<b>Special Trust</b>	<b>Uniform Supplies</b>	<b>Marketing School Store</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 14,109	\$ 18,853	\$ 296	\$ 11,776
Materials and Supplies Inventory	8,760	-	-	-
Accounts Receivable	2,579	-	-	-
Intergovernmental Receivable	-	-	-	-
<b>Total Assets</b>	<b>\$ 25,448</b>	<b>\$ 18,853</b>	<b>\$ 296</b>	<b>\$ 11,776</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 51,576	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	12,064	-	-	-
Interfund Payable	-	-	-	-
<b>Total Liabilities</b>	<b>63,640</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Other	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	8,760	-	-	-
Restricted	-	18,853	296	11,776
Unassigned (Deficit)	(46,952)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>(38,192)</b>	<b>18,853</b>	<b>296</b>	<b>11,776</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 25,448</b>	<b>\$ 18,853</b>	<b>\$ 296</b>	<b>\$ 11,776</b>



**Beachwood City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

<u>Recreation</u>	<u>Consortium</u>	<u>Pupil Support</u>	<u>Miscellaneous Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>
\$ 2,542	\$ 2,199,437	\$ 25,639	\$ 5,567	\$ 908,885	\$ 70,571
-	-	-	-	-	-
-	91,536	18	-	-	-
-	-	-	-	-	-
<u>\$ 2,542</u>	<u>\$ 2,290,973</u>	<u>\$ 25,657</u>	<u>\$ 5,567</u>	<u>\$ 908,885</u>	<u>\$ 70,571</u>
\$ -	\$ 718	\$ 200	\$ -	\$ 439	\$ 1,538
861	205,122	-	-	41,573	-
9,655	24,696	-	-	24,008	-
-	2,046,135	-	-	-	-
<u>10,516</u>	<u>2,276,671</u>	<u>200</u>	<u>-</u>	<u>66,020</u>	<u>1,538</u>
-	-	-	-	-	-
-	77,468	-	-	-	-
-	<u>77,468</u>	-	-	-	-
-	-	-	-	-	-
-	-	25,457	5,567	842,865	69,033
(7,974)	(63,166)	-	-	-	-
<u>(7,974)</u>	<u>(63,166)</u>	<u>25,457</u>	<u>5,567</u>	<u>842,865</u>	<u>69,033</u>
<u>\$ 2,542</u>	<u>\$ 2,290,973</u>	<u>\$ 25,657</u>	<u>\$ 5,567</u>	<u>\$ 908,885</u>	<u>\$ 70,571</u>

(Continued)

**Beachwood City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

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	<b>Auxiliary Services</b>	<b>One Net</b>
<b>ASSETS</b>		
Equity in Pooled Cash and Cash Equivalents	\$ 106,320	\$ 7,200
Materials and Supplies Inventory	-	-
Accounts Receivable	-	-
Intergovernmental Receivable	-	-
<b>Total Assets</b>	<b>\$ 106,320</b>	<b>\$ 7,200</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ 5,578	\$ -
Accrued Wages and Benefits	5,290	-
Intergovernmental Payable	723	-
Interfund Payable	-	-
<b>Total Liabilities</b>	<b>11,591</b>	<b>-</b>
 <b>Deferred Inflows of Resources:</b>		
Unavailable Revenues - Grants	-	-
Unavailable Revenues - Other	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>
 <b>Fund Balances:</b>		
Nonspendable	-	-
Restricted	94,729	7,200
Unassigned (Deficit)	-	-
<b>Total Fund Balances (Deficit)</b>	<b>94,729</b>	<b>7,200</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 106,320</b>	<b>\$ 7,200</b>

**Beachwood City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2017**

<u>IDEA B</u>	<u>Title I</u>	<u>Total II-A</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 6,466	\$ 5,259	\$ 411	\$ 3,383,331
-	-	-	8,760
-	-	-	94,133
4,872	3,620	-	8,492
<u>\$ 11,338</u>	<u>\$ 8,879</u>	<u>\$ 411</u>	<u>\$ 3,494,716</u>
\$ -	\$ 750	\$ -	\$ 60,799
-	-	-	252,846
-	-	-	71,146
-	-	-	2,046,135
<u>-</u>	<u>750</u>	<u>-</u>	<u>2,430,926</u>
4,872	3,620	-	8,492
-	-	-	77,468
<u>4,872</u>	<u>3,620</u>	<u>-</u>	<u>85,960</u>
-	-	-	8,760
6,466	4,509	411	1,087,162
-	-	-	(118,092)
<u>6,466</u>	<u>4,509</u>	<u>411</u>	<u>977,830</u>
<u>\$ 11,338</u>	<u>\$ 8,879</u>	<u>\$ 411</u>	<u>\$ 3,494,716</u>

**Beachwood City School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2017

	<b>Food Service</b>	<b>Special Trust</b>	<b>Uniform Supplies</b>	<b>Marketing School Store</b>
<b>REVENUES</b>				
Intergovernmental	\$ 60,585	\$ -	\$ -	\$ -
Interest	272	27	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	21,990
Customer Sales and Services	359,502	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	4,461	-	-	-
<b>Total Revenues</b>	<u>424,820</u>	<u>27</u>	<u>-</u>	<u>21,990</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	-	-	1,197	-
Special	-	-	-	-
Vocational Instruction	-	-	-	20,902
Adult/Continuing Instruction	-	-	-	-
Supporting Services:				
Pupils	-	400	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Fiscal Services	-	4,638	-	-
Operation and Maintenance of Plant	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	496,982	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total Expenditures</b>	<u>496,982</u>	<u>5,038</u>	<u>1,197</u>	<u>20,902</u>
Excess of Revenues Over (Under) Expenditures	<u>(72,162)</u>	<u>(5,011)</u>	<u>(1,197)</u>	<u>1,088</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers In	20,000	-	-	-
<b>Total Other Financing Sources</b>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(52,162)	(5,011)	(1,197)	1,088
Fund Balances (Deficit) - Beginning of Year	13,970	23,864	1,493	10,688
<b>Fund Balances (Deficit) - End of Year</b>	<u>\$ (38,192)</u>	<u>\$ 18,853</u>	<u>\$ 296</u>	<u>\$ 11,776</u>

**Beachwood City School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2017

<b>Recreation</b>	<b>Consortium</b>	<b>Pupil Support</b>	<b>Miscellaneous Local Grants</b>	<b>Preschool</b>	<b>District Managed Student Activities</b>
\$ -	\$ 639,600	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	943,472	-	-	765,372	-
-	-	-	-	-	47,989
6,110	18,370	600	1,635	1,308	-
-	-	11,632	-	-	-
-	1,831	2,506	-	-	-
<u>6,110</u>	<u>1,603,273</u>	<u>14,738</u>	<u>1,635</u>	<u>766,680</u>	<u>47,989</u>
-	-	17,693	3,260	-	-
-	540,264	26	-	-	-
-	851,068	-	-	-	-
77,881	-	-	-	-	-
-	-	-	-	-	-
-	545,511	-	-	-	-
-	-	-	-	-	-
-	8,659	-	-	-	-
-	-	-	-	-	-
-	46,892	-	1,822	-	-
-	-	-	-	-	-
-	-	-	-	655,011	-
-	-	-	-	-	166,945
-	-	-	-	-	5,764
<u>77,881</u>	<u>1,992,394</u>	<u>17,719</u>	<u>5,082</u>	<u>655,011</u>	<u>172,709</u>
<u>(71,771)</u>	<u>(389,121)</u>	<u>(2,981)</u>	<u>(3,447)</u>	<u>111,669</u>	<u>(124,720)</u>
<u>63,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
<u>63,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
<u>(8,771)</u>	<u>(389,121)</u>	<u>(2,981)</u>	<u>(3,447)</u>	<u>111,669</u>	<u>(4,720)</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>\$ (7,974)</u>	<u>\$ (63,166)</u>	<u>\$ 25,457</u>	<u>\$ 5,567</u>	<u>\$ 842,865</u>	<u>\$ 69,033</u>

**Beachwood City School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2017

	<u>Auxiliary Services</u>	<u>One Net</u>	<u>IDEA B</u>
<b>REVENUES</b>			
Intergovernmental	\$ 763,483	\$ 7,200	\$ 361,570
Interest	1,457	-	-
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Customer Sales and Services	-	-	-
Contributions and Donations	-	-	-
All Other Revenues	-	-	-
<b>Total Revenues</b>	<u>764,940</u>	<u>7,200</u>	<u>361,570</u>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular	-	-	48,377
Special	-	-	128,754
Vocational Instruction	-	-	-
Adult/Continuing Instruction	-	-	-
Supporting Services:			
Pupils	-	-	135,645
Instructional Staff	-	8,157	-
Administration	-	-	-
Fiscal Services	-	-	-
Operation and Maintenance of Plant Services	-	-	-
Operation of Non-Instructional Services:			
Food Service Operations	-	-	-
Community Services	735,355	-	47,997
Extracurricular Activities	-	-	-
Capital Outlay	-	-	-
<b>Total Expenditures</b>	<u>735,355</u>	<u>8,157</u>	<u>360,773</u>
Excess of Revenues Over (Under) Expenditures	<u>29,585</u>	<u>(957)</u>	<u>797</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	29,585	(957)	797
Fund Balances (Deficit) - Beginning of Year	65,144	8,157	5,669
<b>Fund Balances (Deficit) - End of Year</b>	<u>\$ 94,729</u>	<u>\$ 7,200</u>	<u>\$ 6,466</u>

**Beachwood City School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2017

Title III	Title I	Preschool Handicapped Grant	Total II-A	Total Nonmajor Special Revenue Funds
\$ 15,382	\$ 93,553	\$ 10,599	\$ 22,413	1,974,385
-	-	-	-	1,756
-	-	-	-	1,708,844
-	-	-	-	69,979
-	-	-	-	387,525
-	-	-	-	11,632
-	-	-	-	8,798
<u>15,382</u>	<u>93,553</u>	<u>10,599</u>	<u>22,413</u>	<u>4,162,919</u>
-	-	-	-	70,527
14,914	82,913	10,599	22,002	799,472
-	-	-	-	871,970
-	-	-	-	77,881
-	-	-	-	681,156
468	-	-	-	8,625
-	-	-	-	8,659
-	-	-	-	5,038
-	-	-	-	48,714
-	-	-	-	496,982
-	6,131	-	150	1,444,644
-	-	-	-	166,945
-	-	-	-	5,764
<u>15,382</u>	<u>89,044</u>	<u>10,599</u>	<u>22,152</u>	<u>4,686,377</u>
<u>-</u>	<u>4,509</u>	<u>-</u>	<u>261</u>	<u>(523,458)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,000</u>
<u>-</u>	<u>4,509</u>	<u>-</u>	<u>261</u>	<u>(320,458)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>1,298,288</u>
<u>\$ -</u>	<u>\$ 4,509</u>	<u>\$ -</u>	<u>\$ 411</u>	<u>\$ 977,830</u>

## FIDUCIARY FUNDS

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

### Agency Funds

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

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



**Beachwood City School District**  
Combining Statements of Change in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2017

	Balance 6/30/2016	Additions	Reductions	Balance 6/30/2017
<b><u>Retirement</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 686,138	\$ 2,376,778	\$ 2,256,605	\$ 806,311
<b>Liabilities</b>				
Undistributed Monies	\$ 686,138	\$ 2,376,778	\$ 2,256,605	\$ 806,311
<b>Total Liabilities</b>	<b>\$ 686,138</b>	<b>\$ 2,376,778</b>	<b>\$ 2,256,605</b>	<b>\$ 806,311</b>
<b><u>Student Activities</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 101,768	\$ 131,828	\$ 107,295	\$ 126,301
<b>Total Assets</b>	<b>\$ 101,768</b>	<b>\$ 131,828</b>	<b>\$ 107,295</b>	<b>\$ 126,301</b>
<b>Liabilities</b>				
Deu to Students	\$ 101,768	\$ 131,828	\$ 107,295	\$ 126,301
<b>Total Liabilities</b>	<b>\$ 101,768</b>	<b>\$ 131,828</b>	<b>\$ 107,295</b>	<b>\$ 126,301</b>
<b><u>Total Agency Funds</u></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 787,906	\$ 2,508,606	\$ 2,363,900	\$ 932,612
<b>Total Assets</b>	<b>\$ 787,906</b>	<b>\$ 2,508,606</b>	<b>\$ 2,363,900</b>	<b>\$ 932,612</b>
<b>Liabilities</b>				
Undistributed Monies	\$ 686,138	\$ 2,376,778	\$ 2,256,605	\$ 126,301
Due to Students	101,768	131,828	107,295	806,311
<b>Total Liabilities</b>	<b>\$ 787,906</b>	<b>\$ 2,508,606</b>	<b>\$ 2,363,900</b>	<b>\$ 932,612</b>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 25,304,454	\$ 25,304,454	\$ 25,757,221	\$ 452,767
Intergovernmental	5,069,464	5,667,514	5,532,448	(135,066)
Interest	300,000	300,000	380,665	80,665
Tuition and Fees	425,928	425,928	285,023	(140,905)
Rent	336,545	336,545	382,979	46,434
Gifts and Donations	8,500	8,500	2,620	(5,880)
Customer Sales and Services	134,750	134,750	121,308	(13,442)
Miscellaneous	1,384,561	1,884,561	2,429,273	544,712
<b>Total Revenues</b>	<b>32,964,202</b>	<b>34,062,252</b>	<b>34,891,537</b>	<b>829,285</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries	8,436,868	8,547,911	8,497,995	49,916
Fringe Benefits	2,631,445	2,631,445	2,609,629	21,816
Purchased Services	215,234	215,084	183,035	32,049
Materials and Supplies	280,935	279,556	253,035	26,521
Other	133,687	133,687	96,478	37,209
Capital Outlay	153,651	153,651	129,608	24,043
<b>Total - Regular</b>	<b>11,851,820</b>	<b>11,961,334</b>	<b>11,769,780</b>	<b>191,554</b>
<b>Special</b>				
Salaries	2,750,524	2,750,524	2,723,939	26,585
Fringe Benefits	1,035,448	1,035,448	1,013,305	22,143
Purchased Services	1,764,810	1,761,810	1,695,194	66,616
Materials and Supplies	37,715	37,590	17,341	20,249
Capital Outlay	18,286	18,286	949	17,337
<b>Total - Special</b>	<b>5,606,783</b>	<b>5,603,658</b>	<b>5,450,728</b>	<b>152,930</b>
<b>Vocational</b>				
Purchased Services	480,000	480,000	355,013	124,987
Other	25,339	25,339	19,050	6,289
<b>Total - Vocational</b>	<b>505,339</b>	<b>505,339</b>	<b>374,063</b>	<b>131,276</b>
<b>Student Intervention Services</b>				
Salaries	1,469	1,469	2,395	(926)
Fringe Benefits	242	242	380	(138)
<b>Total - Student Intervention Services</b>	<b>1,711</b>	<b>1,711</b>	<b>2,775</b>	<b>(1,064)</b>
<b>Other</b>				
Salaries	46,000	46,000	43,986	2,014
Fringe Benefits	63,219	63,219	43,510	19,709
Purchased Services	136,000	136,000	121,996	14,004
<b>Total - Other</b>	<b>245,219</b>	<b>245,219</b>	<b>209,492</b>	<b>35,727</b>
<b>Total - Instruction:</b>	<b>18,210,872</b>	<b>18,317,261</b>	<b>17,806,838</b>	<b>510,423</b>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,272,796	1,272,796	1,258,715	14,081
Fringe Benefits	428,240	428,240	422,694	5,546
Purchased Services	160,887	159,016	125,656	33,360
Materials and Supplies	18,186	18,186	6,792	11,394
Other	1,119	1,119	952	167
Capital Outlay	2,200	2,200	969	1,231
Total - Pupils	<u>1,883,428</u>	<u>1,881,557</u>	<u>1,815,778</u>	<u>65,779</u>
Instructional Staff				
Salaries	1,080,935	1,080,935	1,056,456	24,479
Fringe Benefits	346,712	346,712	344,516	2,196
Purchased Services	305,917	305,804	241,457	64,347
Materials and Supplies	137,536	135,686	96,314	39,372
Other	2,841	2,841	159	2,682
Capital Outlay	102,783	102,633	82,379	20,254
Total - Instructional Staff	<u>1,976,724</u>	<u>1,974,611</u>	<u>1,821,281</u>	<u>153,330</u>
Board of Education				
Salaries	17,323	17,323	13,875	3,448
Fringe Benefits	2,957	2,957	2,507	450
Purchased Services	342,914	342,914	312,159	30,755
Materials and Supplies	2,833	2,833	998	1,835
Other	32,916	32,916	22,800	10,116
Capital Outlay	1,700	1,700		1,700
Total - Board of Education	<u>400,643</u>	<u>400,643</u>	<u>352,339</u>	<u>48,304</u>
Administration				
Salaries	1,469,035	1,469,035	1,458,342	10,693
Fringe Benefits	727,525	727,525	713,543	13,982
Purchased Services	94,168	94,043	72,708	21,335
Materials and Supplies	22,868	22,824	13,017	9,807
Other	45,523	45,523	41,654	3,869
Capital Outlay	10,602	10,602	4,783	5,819
Total - Administration	<u>2,369,721</u>	<u>2,369,552</u>	<u>2,304,047</u>	<u>65,505</u>
Fiscal				
Salaries	436,000	436,000	434,060	1,940
Fringe Benefits	164,699	164,699	164,635	64
Purchased Services	38,601	34,383	27,155	7,228
Materials and Supplies	22,731	22,731	19,623	3,108
Other	496,467	496,467	475,350	21,117
Capital Outlay	4,000	4,000	3,758	242
Total - Fiscal	<u>1,162,498</u>	<u>1,158,280</u>	<u>1,124,581</u>	<u>33,699</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	184,526	184,526	181,587	2,939
Fringe Benefits	76,060	76,060	74,587	1,473
Purchased Services	142,311	138,311	112,487	25,824
Materials and Supplies	13,527	13,527	12,546	981
Other	316	316	290	26
Capital Outlay	4,317	4,317	3,957	360
Total - Business	<u>421,057</u>	<u>417,057</u>	<u>385,454</u>	<u>31,603</u>
Operation and Maintenance of Plant				
Salaries	1,277,144	1,277,144	1,276,831	313
Fringe Benefits	518,645	518,645	518,582	63
Purchased Services	2,048,842	1,962,299	1,916,943	45,356
Materials and Supplies	248,626	248,626	237,687	10,939
Capital Outlay	58,648	58,648	41,943	16,705
Total - Operation and Maintenance of Plant	<u>4,151,905</u>	<u>4,065,362</u>	<u>3,991,986</u>	<u>73,376</u>
Pupil Transportation				
Salaries	1,067,708	1,067,708	1,028,904	38,804
Fringe Benefits	436,643	436,643	428,432	8,211
Purchased Services	101,197	99,500	80,245	19,255
Materials and Supplies	250,918	246,250	193,499	52,751
Other	500	500	500	500
Capital Outlay	176,330	176,330	172,455	3,875
Total - Pupil Transportation	<u>2,033,296</u>	<u>2,026,931</u>	<u>1,903,535</u>	<u>123,396</u>
Central				
Salaries	152,000	152,000	145,602	6,398
Fringe Benefits	44,671	44,671	43,045	1,626
Purchased Services	112,273	111,163	84,989	26,174
Materials and Supplies	22,125	22,125	10,093	12,032
Other	7,009	7,009	5,137	1,872
Total - Central	<u>338,078</u>	<u>336,968</u>	<u>288,866</u>	<u>48,102</u>
Total - Support Services:	<u>14,737,350</u>	<u>14,630,961</u>	<u>13,987,867</u>	<u>643,094</u>
Operation of Non-Instructional/Shared Services:				
Community Services				
Purchased Services	55,000	55,000	54,267	733
Materials and Supplies	16,500	16,500	16,260	240
Other	6,000	6,000	4,665	1,335
Total - Community Services	<u>77,500</u>	<u>77,500</u>	<u>75,192</u>	<u>2,308</u>
Total - Operation of Non-Instructional/Shared Services:	<u>77,500</u>	<u>77,500</u>	<u>75,192</u>	<u>2,308</u>

***Beachwood City School District***  
**Schedules of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	145,791	145,791	133,647	12,144
Fringe Benefits	24,612	24,612	23,249	1,363
Total - Academic Oriented Activities	<u>170,403</u>	<u>170,403</u>	<u>156,896</u>	<u>13,507</u>
Sport Oriented Activities				
Salaries	670,939	670,939	661,901	9,038
Fringe Benefits	186,884	186,884	179,982	6,902
Total - Sport Oriented Activities	<u>857,823</u>	<u>857,823</u>	<u>841,883</u>	<u>15,940</u>
School and Public Service Co-Curricular Activities				
Salaries	40,000	40,000	39,686	314
Fringe Benefits	6,184	6,184	6,125	59
Total - School and Public Service Co-Curricular Activities	<u>46,184</u>	<u>46,184</u>	<u>45,811</u>	<u>373</u>
Total - Extracurricular Activities:	<u>1,074,410</u>	<u>1,074,410</u>	<u>1,044,590</u>	<u>29,820</u>
Total Expenditures	<u>34,100,132</u>	<u>34,100,132</u>	<u>32,914,487</u>	<u>1,185,645</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,135,930)</u>	<u>(37,880)</u>	<u>1,977,050</u>	<u>2,014,930</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	413,000	413,000	433,535	20,535
Proceeds from Sale of Capital Assets	22,000	22,000	31,931	9,931
Refund of Prior Year Expenditures	2,500	2,500	3,777	1,277
Transfers Out	(941,500)	(941,500)	(940,466)	1,034
Advances Out	(100,000)	(100,000)	-	100,000
Total Other Financing Sources and Uses	<u>(604,000)</u>	<u>(604,000)</u>	<u>(471,223)</u>	<u>132,777</u>
Net Change in Fund Balances	(1,739,930)	(641,880)	1,505,827	2,147,707
Fund Balance at Beginning of Year, Restated	19,928,375	19,928,375	19,928,375	-
Prior Year Encumbrances Appropriated	<u>271,608</u>	<u>271,608</u>	<u>271,608</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 18,460,053</u>	<u>\$ 19,558,103</u>	<u>\$ 21,705,810</u>	<u>\$ 2,147,707</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2017

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 3,908,435	\$ 3,966,561	\$ 58,126
Intergovernmental	1,007,076	1,008,495	1,419
Total Revenues	<u>4,915,511</u>	<u>4,975,056</u>	<u>59,545</u>
EXPENDITURES:			
Debt Service:			
Principal	3,005,000	3,005,000	-
Interest	1,490,601	1,489,701	900
Total Expenditures	<u>4,495,601</u>	<u>4,494,701</u>	<u>900</u>
Excess of Revenues Over (Under) Expenditures	<u>419,910</u>	<u>480,355</u>	<u>58,645</u>
Net Change in Fund Balances	419,910	480,355	58,645
Fund Balance at Beginning of Year	<u>2,408,613</u>	<u>2,408,613</u>	-
Fund Balance at End of Year	<u>\$ 2,828,523</u>	<u>\$ 2,888,968</u>	<u>\$ 58,645</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 178,793	\$ 210,752	\$ 31,959
Intergovernmental	104,988	100,718	(4,270)
Interest	43,000	68,649	25,649
Customer Sales and Services	-	9,520	9,520
Miscellaneous	-	729	729
	<u>326,781</u>	<u>390,368</u>	<u>63,587</u>
Total Revenues			
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	14,534	14,534	-
Extracurricular Activities:			
Sport Oriented Activities	29,589	29,256	333
Capital Outlay:			
Site Improvement Services	13,800	13,709	91
Architecture and Engineering Services	394,000	393,010	990
Building Acquisition and Construction Services	48,000	45,099	2,901
Other Facilities Acquisition and Construction	5,181,172	5,177,661	3,511
	<u>5,681,095</u>	<u>5,673,269</u>	<u>7,826</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	<u>(5,354,314)</u>	<u>(5,282,901)</u>	<u>55,761</u>
Net Change in Fund Balances	(5,354,314)	(5,282,901)	55,761
Fund Balance at Beginning of Year	612,073	612,073	-
Prior Year Encumbrances Appropriated	<u>5,027,670</u>	<u>5,027,670</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 285,429</u>	<u>\$ 356,842</u>	<u>\$ 55,761</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Food Service Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 79,523	\$ 60,585	\$ (18,938)
Interest	25	272	247
Customer Sales and Services	415,500	357,470	(58,030)
Miscellaneous	5,000	4,272	(728)
Total Revenues	<u>500,048</u>	<u>422,599</u>	<u>(77,449)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	<u>519,636</u>	<u>449,150</u>	<u>70,486</u>
Total Expenditures	<u>519,636</u>	<u>449,150</u>	<u>70,486</u>
Excess of Revenues Over (Under) Expenditures	<u>(19,588)</u>	<u>(26,551)</u>	<u>(6,963)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>19,452</u>	<u>20,000</u>	<u>548</u>
Total Other Financing Sources and Uses	<u>19,452</u>	<u>20,000</u>	<u>548</u>
Net Change in Fund Balances	(136)	(6,551)	(6,415)
Fund Balance at Beginning of Year	4,386	4,386	-
Prior Year Encumbrances Appropriated	<u>2,592</u>	<u>2,592</u>	-
Fund Balance at End of Year	<u><u>\$ 6,842</u></u>	<u><u>\$ 427</u></u>	<u><u>\$ (6,415)</u></u>



***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Special Trust Funds  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 2	\$ 27	\$ 25
Contributions and Donations	450	-	(450)
Total Revenues	<u>452</u>	<u>27</u>	<u>(425)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils	3,145	398	2,747
Extracurricular Activities:			
Sport Oriented Activities	8,000	-	8,000
Total Expenditures	<u>11,145</u>	<u>398</u>	<u>10,747</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,693)</u>	<u>(371)</u>	<u>(11,172)</u>
Net Change in Fund Balances	(10,693)	(371)	(11,172)
Fund Balance (Deficit) at Beginning of Year, Restated	<u>19,224</u>	<u>19,224</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,531</u>	<u>\$ 18,853</u>	<u>\$ (11,172)</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Uniform Supplies Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	\$ 1,492	\$ 1,197	\$ 295
Total Expenditures	<u>1,492</u>	<u>1,197</u>	<u>295</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,492)</u>	<u>(1,197)</u>	<u>295</u>
Net Change in Fund Balances	(1,492)	(1,197)	295
Fund Balance at Beginning of Year	<u>1,493</u>	<u>1,493</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 1</u></u>	<u><u>\$ 296</u></u>	<u><u>\$ 295</u></u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Marketing School Store Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 30,000	\$ 21,990	\$ (8,010)
Total Revenues	<u>30,000</u>	<u>21,990</u>	<u>(8,010)</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational	<u>30,000</u>	<u>21,412</u>	<u>8,588</u>
Total Expenditures	<u>30,000</u>	<u>21,412</u>	<u>8,588</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>578</u>	<u>578</u>
Net Change in Fund Balances	-	578	578
Fund Balance at Beginning of Year	<u>10,688</u>	<u>10,688</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,688</u>	<u>\$ 11,266</u>	<u>\$ 578</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Recreation Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ 6,110	\$ 1,110
Total Revenues	<u>5,000</u>	<u>6,110</u>	<u>1,110</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing	<u>80,000</u>	<u>68,354</u>	<u>11,646</u>
Total Expenditures	<u>80,000</u>	<u>68,354</u>	<u>11,646</u>
Excess of Revenues Over (Under) Expenditures	<u>(75,000)</u>	<u>(62,244)</u>	<u>(10,536)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>75,000</u>	<u>63,000</u>	<u>(12,000)</u>
Total Other Financing Sources and Uses	<u>75,000</u>	<u>63,000</u>	<u>(12,000)</u>
Net Change in Fund Balances	-	756	756
Fund Balance at Beginning of Year	<u>1,786</u>	<u>1,786</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,786</u>	<u>\$ 2,542</u>	<u>\$ 756</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Consortium Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 815,109	\$ 639,600	\$ (175,509)
Tuition and Fees	1,223,768	940,650	(283,118)
Customer Sales and Services	20,000	18,933	(1,067)
<b>Total Revenues</b>	<u>2,058,877</u>	<u>1,599,183</u>	<u>(459,694)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Special	561,955	487,521	74,434
Vocational	936,678	739,742	196,936
<b>Support Services:</b>			
Pupils	749,510	477,212	272,298
Administration	10,519	8,659	1,860
Operation and Maintenance of Plant	58,688	47,855	10,833
<b>Total Expenditures</b>	<u>2,317,350</u>	<u>1,760,989</u>	<u>556,361</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(258,473)</u>	<u>(161,806)</u>	<u>96,667</u>
<b>OTHER FINANCING SOURCES AND USES:</b>			
Transfers In	2,038,623	1,964,263	(74,360)
Transfers Out	(2,038,623)	(1,964,263)	74,360
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(258,473)	(161,806)	96,667
<b>Fund Balance at Beginning of Year</b>	2,358,686	2,358,686	-
<b>Prior Year Encumbrances Appropriated</b>	<u>1,227</u>	<u>1,227</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 2,101,440</u></u>	<u><u>\$ 2,198,107</u></u>	<u><u>\$ 96,667</u></u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Pupil Support Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Gifts and Donations	\$ 13,295	\$ 11,632	\$ (1,663)
Customer Sales and Services	-	600	600
Miscellaneous	-	2,489	2,489
Total Revenues	<u>13,295</u>	<u>14,721</u>	<u>1,426</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	26,895	17,490	9,405
Special	1,000	26	974
Support Services:			
Central	105	-	105
Total Expenditures	<u>28,000</u>	<u>17,516</u>	<u>10,484</u>
Excess of Revenues Over (Under) Expenditures	<u>(14,705)</u>	<u>(2,795)</u>	<u>11,910</u>
Net Change in Fund Balances	(14,705)	(2,795)	11,910
Fund Balance at Beginning of Year	<u>28,434</u>	<u>28,434</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 13,729</u>	<u>\$ 25,639</u>	<u>\$ 11,910</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Miscellaneous Local Grants Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 2,000	\$ 1,635	\$ (365)
Total Revenues	<u>2,000</u>	<u>1,635</u>	<u>(365)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	9,003	5,125	3,878
Support Services:			
Operation and Maintenance of Plant	<u>1,821</u>	<u>1,821</u>	<u>-</u>
Total Expenditures	<u>10,824</u>	<u>6,946</u>	<u>3,878</u>
Excess of Revenues Over (Under) Expenditures	<u>(8,824)</u>	<u>(5,311)</u>	<u>3,513</u>
Net Change in Fund Balances	(8,824)	(5,311)	3,513
Fund Balance at Beginning of Year	<u>9,013</u>	<u>9,013</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 189</u>	<u>\$ 3,702</u>	<u>\$ 3,513</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Termination Benefits Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	\$ 13,557	\$ 13,557	\$ -
Support Services:			
Administration	8,948	8,943	5
Fiscal	34,004	34,004	-
Operation and Maintenance of Plant	7,812	7,795	17
Extracurricular Activities:			
Sport Oriented Activities	6,270	6,268	2
Total Expenditures	<u>70,591</u>	<u>70,567</u>	<u>24</u>
Excess of Revenues Over (Under) Expenditures	<u>(70,591)</u>	<u>(70,567)</u>	<u>(24)</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	300,000	300,000	-
Total Other Financing Sources and Uses	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balances	229,409	229,433	(24)
Fund Balance (Deficit) at Beginning of Year	<u>1,233,444</u>	<u>1,233,444</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,462,853</u>	<u>\$ 1,462,877</u>	<u>\$ (24)</u>



***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Preschool Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 696,500	\$ 765,969	\$ 69,469
Customer Sales and Services	-	1,308	1,308
Total Revenues	<u>696,500</u>	<u>767,277</u>	<u>70,777</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>642,649</u>	<u>638,880</u>	<u>3,769</u>
Total Expenditures	<u>642,649</u>	<u>638,880</u>	<u>3,769</u>
Excess of Revenues Over (Under) Expenditures	<u>53,851</u>	<u>128,397</u>	<u>74,546</u>
Net Change in Fund Balances	53,851	128,397	74,546
Fund Balance at Beginning of Year	771,216	771,216	-
Prior Year Encumbrances Appropriated	<u>8,106</u>	<u>8,106</u>	-
Fund Balance at End of Year	<u>\$ 833,173</u>	<u>\$ 907,719</u>	<u>\$ 74,546</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
District Managed Student Activities Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 66,121	\$ 47,989	\$ (18,132)
Total Revenues	<u>66,121</u>	<u>47,989</u>	<u>(18,132)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities	1,461	464	997
Sport Oriented Activities	<u>213,445</u>	<u>170,874</u>	<u>42,571</u>
Total Expenditures	<u>214,906</u>	<u>171,338</u>	<u>43,568</u>
Excess of Revenues Over (Under) Expenditures	<u>(148,785)</u>	<u>(123,349)</u>	<u>25,436</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	<u>130,000</u>	<u>120,000</u>	<u>(10,000)</u>
Total Other Financing Sources and Uses	<u>130,000</u>	<u>120,000</u>	<u>(10,000)</u>
Net Change in Fund Balances	(18,785)	(3,349)	15,436
Fund Balance at Beginning of Year	64,334	64,334	-
Prior Year Encumbrances Appropriated	<u>9,541</u>	<u>9,541</u>	-
Fund Balance at End of Year	<u>\$ 55,090</u>	<u>\$ 70,526</u>	<u>\$ 15,436</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 763,483	\$ 763,483	\$ -
Interest	1,278	1,457	179
Total Revenues	<u>764,761</u>	<u>764,940</u>	<u>179</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>835,801</u>	<u>829,771</u>	<u>6,030</u>
Total Expenditures	<u>835,801</u>	<u>829,771</u>	<u>6,030</u>
Excess of Revenues Over (Under) Expenditures	<u>(71,040)</u>	<u>(64,831)</u>	<u>6,209</u>
Net Change in Fund Balances	(71,040)	(64,831)	6,209
Fund Balance at Beginning of Year	66,073	66,073	-
Prior Year Encumbrances Appropriated	<u>4,969</u>	<u>4,969</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 6,211</u>	<u>\$ 6,209</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
One Net Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 8,185	\$ 7,200	\$ (985)
Total Revenues	<u>8,185</u>	<u>7,200</u>	<u>(985)</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>8,185</u>	<u>8,158</u>	<u>27</u>
Total Expenditures	<u>8,185</u>	<u>8,158</u>	<u>27</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(958)</u>	<u>(958)</u>
Net Change in Fund Balances	-	(958)	(958)
Fund Balance at Beginning of Year	<u>8,158</u>	<u>8,158</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,158</u>	<u>\$ 7,200</u>	<u>\$ (958)</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
IDEA B Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 403,902	\$ 361,570	\$ (42,332)
Total Revenues	<u>403,902</u>	<u>361,570</u>	<u>(42,332)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	48,934	48,377	557
Special	128,822	128,754	68
Support Services:			
Pupils	135,683	135,645	38
Operation of Non-Instructional/Shared Services:			
Community Services	<u>96,132</u>	<u>53,803</u>	<u>42,329</u>
Total Expenditures	<u>409,571</u>	<u>366,579</u>	<u>42,992</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,669)</u>	<u>(5,009)</u>	<u>660</u>
Net Change in Fund Balances	(5,669)	(5,009)	660
Fund Balance at Beginning of Year	<u>5,669</u>	<u>5,669</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 660</u>	<u>\$ 660</u>

**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Title III Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 15,382	\$ 15,382	\$ -
Total Revenues	<u>15,382</u>	<u>15,382</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	14,914	14,914	-
Support Services:			
Instructional Staff	<u>468</u>	<u>468</u>	<u>-</u>
Total Expenditures	<u>15,382</u>	<u>15,382</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Title I Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 123,870	\$ 93,553	\$ (30,317)
Total Revenues	<u>123,870</u>	<u>93,553</u>	<u>(30,317)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	113,230	82,913	30,317
Operation of Non-Instructional/Shared Services:			
Community Services	<u>10,640</u>	<u>10,640</u>	<u>0</u>
Total Expenditures	<u>123,870</u>	<u>93,553</u>	<u>30,317</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Preschool Handicapped Grant Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 10,599	\$ 10,599	\$ -
Total Revenues	<u>10,599</u>	<u>10,599</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>10,599</u>	<u>10,599</u>	<u>-</u>
Total Expenditures	<u>10,599</u>	<u>10,599</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Beachwood City School District**  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Title II-A Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 22,412	\$ 22,412	\$ -
Total Revenues	<u>22,412</u>	<u>22,412</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	22,002	22,002	-
Operation of Non-Instructional/Shared Services:			
Community Services	<u>560</u>	<u>560</u>	<u>-</u>
Total Expenditures	<u>22,562</u>	<u>22,562</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(150)</u>	<u>(150)</u>	<u>-</u>
Net Change in Fund Balances	(150)	(150)	-
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	<u>150</u>	<u>150</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

***Beachwood City School District***  
Schedules of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Basis) and Actual  
Health Care Benefits Fund  
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 2,800,000	\$ 3,270,681	\$ 470,681
Other Revenues	615,000	217,579	(397,421)
Total Operating Revenues	<u>3,415,000</u>	<u>3,488,260</u>	<u>73,260</u>
OPERATING EXPENSES:			
Claims	<u>4,120,000</u>	<u>2,987,449</u>	<u>1,132,551</u>
Total Operating Expenses	<u>4,120,000</u>	<u>2,987,449</u>	<u>1,132,551</u>
Operating Income (Loss)	<u>(705,000)</u>	<u>500,811</u>	<u>1,205,811</u>
Income (Loss) Before Contributions and Transfers	<u>(705,000)</u>	<u>500,811</u>	<u>1,205,811</u>
Net Change in Net Position	(705,000)	500,811	1,205,811
Net Position(Deficit) at Beginning of Year	1,593,324	1,593,324	-
Prior Year Encumbrances Appropriated	<u>5,084</u>	<u>5,084</u>	<u>-</u>
Net Position (Deficit) at End of Year	<u>\$ 893,408</u>	<u>\$ 2,099,219</u>	<u>\$ 1,205,811</u>

*STATISTICAL*

*SECTION*

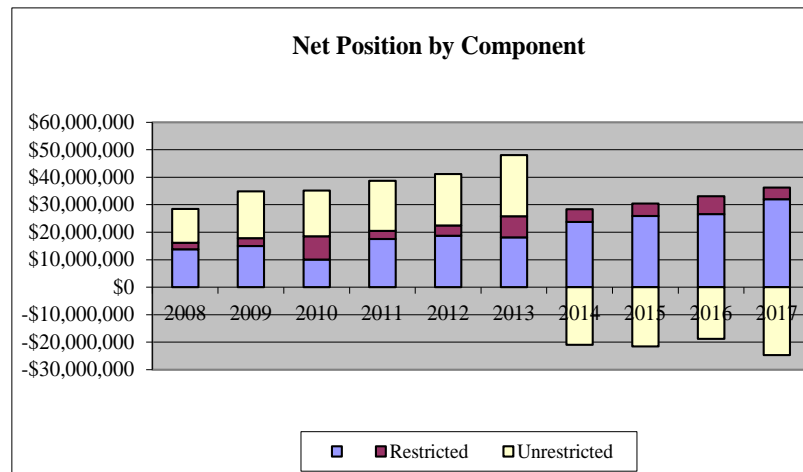
## Statistical Section

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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being has changed over time.	<b>S3 – S7</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District’s most significant local revenue, the property tax.	<b>S8-S12</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.	<b>S13 – S16</b>
<b>Economic and Demographic Information</b> This schedule offers economic and demographic indicators to help the reader understand the environment within which the School District’s financial activities take place.	<b>S17- S18</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.	<b>S19 – S26</b>
<b>Sources:</b> 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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Investment in Capital Assets	\$ 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	\$ 31,984,915
Restricted for:										
Debt Services	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	3,077,874
Capital Outlay	226,134	192,756	5,965,796	218,541	616,102	4,242,814	889,076	1,305,802	2,182,718	-
Other Purposes	376,555	406,199	373,958	325,704	423,498	668,352	660,011	543,051	1,013,143	1,038,742
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	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)	(24,725,672)
<b>Total Net Position</b>	<b>\$ 28,436,184</b>	<b>\$ 34,886,406</b>	<b>\$ 35,176,149</b>	<b>\$ 38,711,901</b>	<b>\$ 41,226,242</b>	<b>\$ 48,102,616</b>	<b>\$ 7,419,655</b>	<b>\$ 8,891,980</b>	<b>\$ 14,332,887</b>	<b>\$ 11,510,732</b>



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses</b>										
Regular Instruction	\$14,185,332	\$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
Special Instruction	6,515,516	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
Vocational Instruction	1,221,206	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
Adult/Conintuing	73,772	70,675	70,303	106,568	101,993	99,837	172,423	229,767	223,322	172,720
Other Instruction	312,115	289,608	265,444	282,232	267,839	238,069	128,063	225,758	179,790	664,301
Pupils	2,627,312	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
Instructional Staff	2,074,132	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
Board of Education	355,408	357,340	408,141	446,035	606,698	358,447	562,724	522,649	460,127	356,006
Administration	2,472,009	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
Fiscal	996,628	1,167,782	1,061,998	830,832	789,311	827,047	443,112	1,136,671	514,478	746,614
Business	418,986	356,635	326,285	284,773	418,499	459,488	464,459	493,005	458,069	459,817
Operation and										
Maintenance of Plant	4,162,520	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
Pupil Transportation	1,938,172	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
Central	291,687	247,360	188,585	75,288	375,875	700,838	779,644	756,795	704,516	796,909
Non-instructional	2,230,197	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
Extracurricular Activities	1,310,192	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
Debt Service	1,549,639	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
<i>Total Expenses</i>	<i>\$42,734,823</i>	<i>\$38,584,363</i>	<i>\$39,952,482</i>	<i>\$39,265,760</i>	<i>\$39,104,549</i>	<i>\$39,536,355</i>	<i>\$38,607,580</i>	<i>\$36,859,819</i>	<i>\$37,636,459</i>	<i>\$36,751,342</i>
<b>Program Revenues</b>										
<b>Charges for Services and Sales:</b>										
Regular Instruction	\$197,711	\$187,527	\$223,848	\$173,762	\$198,005	\$198,931	\$262,524	\$282,997	\$426,372	\$261,927
Special Instruction	579,212	162,256	917,763	253,148	1,339,857	882,280	1,016,441	408,532	1,202,361	680,019
Vocational Instruction	346,228	456,962	627,211	599,952	636,639	581,738	810,461	670,516	611,363	805,627
Adult/Conintuing	6,110	4,598	6,500	6,853	10,597	16,141	43,777	208,866	223,322	172,720
Other Instruction	0	26,001	6,113	0	489	100	2,166	0	40,114	535,638
Pupils	223,357	170,157	489,453	508,341	774,941	804,828	917,293	821,602	956,469	779,711
Instructional Staff	12,616	9,064	12,512	2,065	2,701	51,699	59,206	70,830	151,967	2,321
Administration	2,917	1,268	959	0	3,574	0	0	6,195	573	320
Fiscal	0	20,199	20	18,882	17,401	9,088	20,410	21,117	6,520	9,519
Business	0	665	231	971	1,063	2,130	3,178	3,483	9,155	4,965
Operation and										
Maintenance of Plant	398,776	337,419	326,246	311,240	302,878	333,064	324,955	377,779	317,292	275,580
Pupil Transportation	2,384	3,731	7,780	5,033	2,525	2,244	0	7,708	75,245	48,277
Central	0	3,662	1,891	0	0	12,000	2,652	26,020	8,157	27,494
Food Service Operations	359,144	388,413	345,146	345,753	362,627	382,012	422,646	448,638	415,824	374,970
Community Services	767,277	703,030	731,997	558,981	633,130	562,874	499,863	504,650	516,995	5,889
Extracurricular Activities	47,989	47,452	54,583	52,064	60,329	80,872	46,729	41,905	35,950	35,189

Source: District Financial Statements

(continued)

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Operating Grants and Contributions:</b>										
Regular Instruction	\$583,902	\$377,004	\$462,809	\$560,713	\$954,217	\$1,101,653	\$549,983	\$562,371	\$543,711	\$665,444
Special Instruction	1,165,731	1,137,484	1,049,131	961,075	419,766	602,671	930,310	644,712	980,032	869,960
Vocational Instruction	320,397	296,470	494,562	495,738	341,849	387,084	471,903	399,322	370,783	280,527
Other Instruction	0	0	0	0	95,243	0	0	0	0	27,626
Pupils	237,437	245,630	233,488	162,901	298,176	344,971	225,966	157,696	170,662	222,850
Instructional Staff	468	1,952	8,550	149,687	126,642	82,014	71,242	72,793	77,894	12,356
Administration	3,341	9,538	11,269	0	12,726	13,862	0	13,591	7,857	7,857
Business	0	0	0	0	0	0	0	0	0	0
Operations	18,091	32,855	53,529	0	63,630	29,705	0	0	0	0
Pupil Transportation	405,306	451,538	420,648	337,890	52,733	30,671	470,815	543,734	485,476	491,752
Central	0	0	0	0	7,200	9,000	16,375	16,432	52,868	35,660
Food Service Operations	60,585	66,309	71,733	57,098	81,350	68,588	68,349	63,411	49,691	38,608
Community Services	817,661	756,588	688,541	597,713	572,830	519,955	563,069	252,504	289,849	221,806
Extracurricular Activities	0	0	0	0	0	0	0	0	0	1,000
<b>Capital Grants and Contributions:</b>										
Pupil Transportation	0	0	0	0	0	0	0	0	6,992	7,781
Central	0	0	0	0	0	0	0	0	0	9,184
<b>Total Program Revenues</b>	<b>6,556,640</b>	<b>5,897,772</b>	<b>7,246,513</b>	<b>6,159,860</b>	<b>7,373,118</b>	<b>7,110,175</b>	<b>7,800,313</b>	<b>6,627,404</b>	<b>6,629,414</b>	<b>8,033,494</b>
<b>Net Expenses</b>	<b>(\$36,178,183)</b>	<b>(\$32,686,591)</b>	<b>(\$32,705,969)</b>	<b>(\$33,105,900)</b>	<b>(\$31,731,431)</b>	<b>(\$32,426,180)</b>	<b>(\$30,807,267)</b>	<b>(\$30,232,415)</b>	<b>(\$31,007,045)</b>	<b>(\$28,717,848)</b>

Source: District Financial Statements

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Not Restricted to Specific Services	5,778,617	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
Investment Earnings	395,352	389,609	309,666	176,869	73,323	221,860	332,985	241,009	465,682	648,569
Miscellaneous	2,448,299	1,752,422	632,226	2,712,099	5,436,826	298,808	250,458	257,895	40,154	177,021
Property Taxes	25,380,072	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
<i>Total General Revenues</i>	<i>34,002,340</i>	<i>38,127,498</i>	<i>34,178,294</i>	<i>42,285,049</i>	<i>38,607,807</i>	<i>34,940,519</i>	<i>34,343,019</i>	<i>30,522,158</i>	<i>36,053,187</i>	<i>32,719,360</i>
<i>Change in Net Position</i>	<i>(\$2,175,843)</i>	<i>\$5,440,907</i>	<i>\$1,472,325</i>	<i>\$9,179,149</i>	<i>\$6,876,376</i>	<i>\$2,514,339</i>	<i>\$3,535,752</i>	<i>\$289,743</i>	<i>\$5,046,142</i>	<i>\$4,001,512</i>

Source: District Financial Statements



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

	<u>2017</u>	<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>								
Nonspendable	60,591	81,171	79,722	91,882	\$81,213	\$77,423	\$78,834	\$77,659
Restricted	142,289	134,873	134,873	134,873	134,873	134,873	142,715	142,915
Committed	297,139	257,275	446,142	227,580	245,081	312,464	466,442	148,076
Assigned	1,326,357	0	2,498,306	1,858,365	0	2,412,549	1,170,307	1,305,151
Unassigned	26,566,923	29,917,915	24,692,392	26,643,938	22,231,482	16,014,196	16,816,278	16,281,758
<i>Total General Fund</i>	<u>28,393,299</u>	<u>30,391,234</u>	<u>27,851,435</u>	<u>28,956,638</u>	<u>22,692,649</u>	<u>18,951,505</u>	<u>18,674,576</u>	<u>17,955,559</u>
<i>All Other Governmental Funds</i>								
Nonspendable	8,760	7,618	7,812	7,393	7,516	8,712	4,891	0
Restricted	4,272,483	2,226,762	4,164,315	4,486,583	4,719,857	4,691,417	30,162,866	8,464,795
Committed	0	4,487,517	560,228	278,044	3,113,215	16,807,535	6,097,755	645,440
Unassigned	(2,408,221)	0	0	(16,305)	(1,004)	(7,428)	0	0
<i>Total All Other Governmental Funds</i>	<u>1,873,022</u>	<u>6,721,897</u>	<u>4,732,355</u>	<u>4,755,715</u>	<u>7,839,584</u>	<u>21,500,236</u>	<u>36,265,512</u>	<u>9,110,235</u>
<i>Total Governmental Funds</i>	<u>\$30,266,321</u>	<u>\$37,113,131</u>	<u>\$32,583,790</u>	<u>\$33,712,353</u>	<u>\$30,532,233</u>	<u>\$40,451,741</u>	<u>\$54,940,088</u>	<u>\$27,065,794</u>

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Revenues</b>										
Property and Other Local Taxes	\$25,338,108	\$30,432,420	\$27,867,568	\$33,817,710	\$27,846,976	\$28,034,000	\$26,735,219	\$23,720,129	\$30,489,433	\$28,225,851
Intergovernmental	8,616,046	8,890,938	8,999,170	9,010,277	8,673,834	9,576,025	10,213,155	8,868,241	8,188,859	7,042,005
Interest	395,352	390,304	309,750	176,914	73,489	221,951	333,272	241,202	467,348	749,468
Tuition and Fees/Rent	2,619,730	1,869,768	3,080,253	2,258,470	3,743,392	3,219,070	3,358,651	2,576,047	3,884,672	2,936,352
Miscellaneous Revenue from Local Sources	3,026,834	2,404,363	1,304,142	3,290,629	6,040,024	999,648	1,323,821	1,582,493	1,151,158	1,180,397
<i>Total Revenues</i>	<u>\$39,996,070</u>	<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>	<u>\$41,964,118</u>	<u>\$36,988,112</u>	<u>\$44,181,470</u>	<u>\$40,134,073</u>
<b>Expenditures</b>										
Instruction	\$19,552,428	\$18,863,191	\$20,227,953	\$19,818,267	\$19,751,303	\$19,532,432	\$19,158,837	\$18,741,726	\$19,390,201	\$18,409,343
Support Services:										
Pupil	2,519,937	2,106,213	2,605,118	2,491,157	2,696,076	3,046,113	2,488,406	2,638,931	2,683,603	2,597,084
Instructional Staff	1,734,769	1,830,686	1,934,842	2,005,568	1,338,612	1,054,135	1,245,680	1,109,864	1,090,565	930,332
Board of Education	332,135	336,313	387,993	424,218	585,644	337,438	543,728	502,689	439,485	346,279
Administration	2,310,290	2,271,929	2,348,437	2,265,053	2,397,235	2,367,983	2,357,983	2,295,127	2,274,608	2,334,626
Fiscal	1,171,421	1,002,165	1,114,806	1,041,887	873,283	1,106,852	965,920	982,071	944,581	870,664
Business	389,899	349,582	356,524	288,951	415,861	479,569	456,991	485,105	450,040	475,683
Operation and Maintenance of Plant	3,938,490	3,707,137	3,482,222	3,409,790	3,023,997	2,948,024	3,228,836	3,310,293	3,525,969	3,638,095
Pupil Transportation	1,748,501	1,761,570	1,955,864	1,906,237	2,030,773	1,665,516	2,256,616	2,189,730	2,100,816	1,927,821
Central	280,386	299,163	253,730	244,583	918,231	1,124,218	1,317,613	742,267	1,013,722	1,107,131
Non-instructional	2,014,808	1,807,773	1,778,066	1,831,026	1,500,237	1,488,316	1,584,575	1,492,319	1,489,470	885,503
Extracurricular Activities	1,259,237	1,186,277	1,159,468	1,074,734	1,215,381	1,217,815	968,684	956,455	976,735	968,945
Capital Outlay	5,067,174	4,882,239	963,409	4,279,834	15,314,306	16,076,522	3,304,901	397,220	832,691	622,003
Debt Service:										
Principal	3,062,737	2,740,000	2,710,000	2,515,000	2,440,000	2,230,000	2,060,000	1,450,000	1,390,000	1,094,984
Interest	1,492,599	1,501,060	1,411,014	2,146,160	2,013,447	2,036,195	2,092,818	645,190	593,478	970,500
<i>Total Expenditures</i>	<u>46,874,811</u>	<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>	<u>44,031,588</u>	<u>37,938,987</u>	<u>39,195,964</u>	<u>37,178,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,878,741)</u>	<u>(657,505)</u>	<u>(1,128,563)</u>	<u>2,811,535</u>	<u>(10,136,671)</u>	<u>(14,660,434)</u>	<u>(2,067,470)</u>	<u>(950,875)</u>	<u>4,985,506</u>	<u>2,955,080</u>
<b>Other Financing Sources/(Uses)</b>										
Operating Transfers In	203,000	195,500	259,572	272,600	331,600	233,540	243,024	240,000	396,000	350,000
General Obligation Bonds Issued	0	5,009,296	0	16,569,966	3,325,175	0	30,319,567	0	0	0
Proceed from Sale of Bonds	0	0	0	0	0	0	0	5,650,000	0	6,244,997
Proceeds from Sale of Capital Assets	31,931	0	0	0	0	0	0	0	0	0
Inception of Capital Lease	0	177,542	0	291,635	157,750	172,087	267,639		124,373	0
Other Financing Sources	0	0	0	246,984	0	0	0	0	0	474,279
Operating Transfers Out	(203,000)	(195,500)	(259,572)	(272,600)	(331,600)	(233,540)	(243,024)	(240,000)	(396,000)	(350,000)
Refund of Prior Year Expenditures/Receipts	0	0	0	0	0	0	0	0	0	0
Refunding of Bonds	0	0	0	(16,740,000)	(3,265,762)	0	0	0	0	(6,602,665)
	31,931	5,186,838	0	368,585	217,163	172,087	30,587,206	5,650,000	124,373	116,611
<i>Net Changes in Fund Balances</i>	<u>(\$6,846,810)</u>	<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>	<u>\$28,519,736</u>	<u>\$4,699,125</u>	<u>\$5,109,879</u>	<u>\$3,071,691</u>
Debt Services as a percentage of Noncapital expenditures	10.90%	10.56%	10.03%	10.74%	11.65%	10.04%	9.24%	5.32%	5.25%	5.42%
Source: District Financial Statements										

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

Collection Year	Real Estate		Public Utility Tangible Personal		Total Real/Personal Property		Direct Property Tax Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2017	\$ 712,300,970	\$ 2,035,145,629	\$ 13,566,640	\$ 15,416,636	\$ 725,867,610	\$ 2,050,562,265	86.40
2016	707,183,170	2,020,523,343	12,895,080	14,653,500	720,078,250	2,035,176,843	86.40
2015	696,943,910	1,991,268,314	12,737,020	14,473,886	709,680,930	2,005,742,201	86.40
2014	696,761,180	1,990,746,229	12,248,200	13,918,409	709,009,380	2,004,664,638	86.40
2013	701,730,150	2,004,943,286	10,998,710	12,498,534	712,728,860	2,017,441,820	86.40
2012	699,199,670	1,997,713,343	10,143,050	11,526,193	709,342,720	2,009,239,536	86.40
2011	709,770,470	2,027,915,629	9,915,590	11,267,715	719,686,060	2,039,183,344	86.40
2010	713,176,220	2,037,646,343	9,694,520	11,016,500	722,870,740	2,048,662,843	83.90
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

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 School Levy	Overlapping		Total Levy	Debt Service Included in Total Levy		
		County Levy	City Levy		School	County	Total
		2016/2017	86.40		23.43	4.00	113.83
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

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

**Beachwood City School District**  
**Property Tax Levies and Collections**  
**Real and Personal Property Taxes (1)**  
**Last Ten Calendar Years**

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collected As a Percent of Current Levy</u>
2016/2017	\$33,397,718	\$2,149,143	\$35,546,861	\$31,598,660	94.61%	\$365,205	\$31,963,865	95.7%
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%

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, 2016 and December 31, 2007**

Name of Taxpayer	Nature of Business	December 31, 2016	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$75,509,090	20.95%
Commerce Park	Office Buildings	25,992,370	7.21%
Hamptons Apartment	Apartment Complex	19,955,920	5.54%
DFG-Beachwood Pavilion LLC	Retail	12,062,260	3.35%
Village Green of Beachwood	Condominiums	11,409,060	3.16%
Four Seasons Apartments IV	Apartment Complex	11,131,370	3.09%
Developers Diversified	Realty	10,071,610	2.79%
Commerce Parki IV & V	Office buildings	8,142,070	2.26%
Four Seasons Apartments, LLC	Apartment Complex	7,519,880	2.09%
NF II Beachwood Park East	Office Buildings	6,778,350	1.88%
		<u>\$188,571,980</u>	<u>52.31%</u>
Total Commercial Valuation		<u>\$360,496,270</u>	

Name of Taxpayer	Nature of Business	December 31, 2007	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$56,898,180	15.22%
Cleveland Clinic	Health Care	48,474,280	12.97%
Hamptons Apartment	Apartments	10,995,570	2.94%
Village Green of Beachwood	Condominiums	10,188,090	2.73%
Four Seasons Apartments	Apartments	8,786,270	2.35%
Boardwalk Partners LLC	Hotel	8,423,740	2.25%
Commerce Park	Office Buildings	7,930,630	2.12%
HCRI Beachwood, Inc.	Hotel	7,179,660	1.92%
Gotham King Fee Owner, LLC	Unknown	7,057,830	1.89%
Signqature Square	Office Buildings	6,551,350	1.75%
		<u>\$172,485,600</u>	<u>46.14%</u>
Total Commercial Valuation		<u>\$373,804,300</u>	

Source: Cuyahoga County Fiscal Officer

**Beachwood City School District**  
Principal Property Taxpayers  
Public Utility Tax  
December 31, 2016 and December 31, 2007

		December 31, 2016	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$10,742,270	79.18%
Total		<u>\$10,742,270</u>	<u>79.18%</u>
Total Public Utility Valuation		<u>\$13,566,640</u>	

		December 31, 2007	
Name of Taxpayer	Nature of Business	Assessed Valuation	% of Total Tangible Personal Property Valuation
Cleveland Electric Illuminating	Electric Utility	\$5,514,740	62.97%
Ohio Bell	Telephone	921,450	10.52%
American Transmission System	Telephone	546,230	6.24%
East Ohio Gas	Utility	525,260	6.00%
Total		<u>\$7,507,680</u>	<u>85.72%</u>
Total Public Utility Valuation		<u>\$8,757,950</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
2017	\$28,500,619	\$6,524,414	\$59,169	\$35,084,202	\$2,935	6.1%
2016	30,766,271	7,326,855	116,906	38,210,032	3,197	6.7%
2015	33,001,923	2,885,000	97,197	35,984,120	3,010	6.3%
2014	35,202,575	3,440,000	244,826	38,887,401	3,253	6.8%
2013	37,567,973	3,995,000	103,847	41,666,820	3,486	7.3%
2012	39,812,758	4,550,000	202,643	44,565,401	3,728	7.8%
2011	40,724,998	5,105,000	178,426	46,008,424	3,849	8.0%
2010	11,479,998	6,410,000	41,053	17,931,051	1,471	8.2%
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%

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

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



**Beachwood City School District**  
 Computation of Direct and Overlapping Debt  
 General Obligation  
 As of December 31, 2016

<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	\$35,084,202	100.00%	\$35,084,202
<i>Overlapping Debt:</i>			
Cuyahoga County	226,090,000	2.63%	5,940,954
Regional Transit Authority	3,910,000	2.63%	102,743
City of Beachwood	13,985,000	95.30%	13,328,343
City of Pepper Pike	<u>5,935,658</u>	1.04%	<u>62,012</u>
Total Overlapping Debt	<u>249,920,658</u>		<u>19,434,052</u>
Total Debt	<u><u>\$285,004,860</u></u>		<u><u>\$54,518,254</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 2016 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>
2017	\$28,500,619	\$3,185,321	\$25,315,298	\$725,867,610	11,953	3.49%	\$2,118
2016	30,766,271	3,244,584	27,521,687	720,078,250	11,953	3.82%	2,302
2015	33,001,923	2,572,826	30,429,097	709,680,930	11,953	4.29%	2,546
2014	35,202,575	2,954,498	32,248,077	709,009,380	11,953	4.55%	2,698
2013	37,567,973	2,620,960	34,947,013	712,728,860	11,953	4.90%	2,924
2012	39,812,758	2,571,283	37,241,475	709,342,720	11,953	5.25%	3,116
2011	40,724,998	2,218,606	38,506,392	719,686,060	11,953	5.35%	3,221
2010	11,479,998	1,884,167	9,595,831	722,870,740	12,186	1.33%	787
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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed Valuation	<u>\$725,867,610</u>	<u>\$720,078,250</u>	<u>\$709,680,930</u>	<u>\$709,009,380</u>	<u>\$712,728,860</u>	<u>\$709,342,720</u>	<u>\$719,686,060</u>	<u>\$722,870,740</u>	<u>\$759,135,969</u>	<u>\$775,540,866</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$65,328,085	\$64,807,043	\$63,871,284	\$63,810,844	\$64,145,597	\$63,840,845	\$64,771,745	\$65,058,367	\$68,322,237	\$69,798,678
Amount of Debt Applicable to Debt Limit:										
Bonded Debt	28,500,619	30,766,271	33,001,923	35,202,575	37,567,973	39,049,998	40,724,998	11,479,998	12,209,998	12,914,998
Less Bond Retirement Fund	<u>3,185,321</u>	<u>3,244,584</u>	<u>2,752,826</u>	<u>2,954,498</u>	<u>2,620,960</u>	<u>2,571,283</u>	<u>2,218,606</u>	<u>1,884,167</u>	<u>2,052,047</u>	<u>1,626,431</u>
Net General Bonded Debt	<u>25,315,298</u>	<u>27,521,687</u>	<u>30,429,097</u>	<u>32,248,077</u>	<u>34,947,013</u>	<u>36,478,715</u>	<u>38,506,392</u>	<u>9,595,831</u>	<u>10,157,951</u>	<u>11,288,567</u>
Voted Debt Margin	<u>\$40,012,787</u>	<u>\$37,285,356</u>	<u>\$33,442,187</u>	<u>\$31,562,767</u>	<u>\$29,198,584</u>	<u>\$27,362,130</u>	<u>\$26,265,353</u>	<u>\$55,462,536</u>	<u>\$58,164,286</u>	<u>\$58,510,111</u>
Ratio of Legal Debt Margin to Assessed Values	5.51%	5.18%	4.71%	4.45%	4.10%	3.86%	3.65%	7.67%	7.66%	7.54%
Bonded Debt Limit - .1% of Assessed Value (1)	<u>\$725,868</u>	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</u>	<u>\$775,541</u>
Unvoted Debt Margin	<u>\$725,868</u>	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</u>	<u>\$775,541</u>

Source: Cuyahoga County Fiscal Officer

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

***Beachwood City School District***  
Demographic and Economic Statistics  
Last Ten Years

<u>Year (1)</u>	<u>Population (2)</u>	<u>Average Federal Adjusted Gross Income (3)</u>	<u>Median Ohio Adjusted Gross Income (3)</u>	<u>Total Personal Income (4)</u>	<u>Per Capita Personal Income (5)</u>	<u>Debt as a % of Personal Income (6)</u>	<u>Cuyahoga County Unemployment Rate (7)</u>
2015	11,953	\$144,413	\$57,310	\$573,863,530	\$48,010	5.0%	6.6%
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

Source:

- (1) 2015 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, 2016

<u>Employer</u>	<u>Number of</u>	<u>Percentage of</u>
Cleveland Clinic Foundation	2,886	11.00%
University Hospitals	1,936	7.38
Menorah Park Center	1,197	4.56
Eaton Corporation	853	3.25
Beachwood Board of Education	555	2.12
City of Beachwood	503	1.92
Lifetime Fitness Club	474	1.81
Montefiore Home	463	1.77
Developers Diversified	453	1.73
Jewish Family Services	394	1.50
Total	<u>9,714</u>	<u>37.04%</u>
Total employment within the School District	<u>26,225</u>	

\*\* Includes seasonal, substitutes and casual labor

December 31, 2007

<u>Employer</u>	<u>Number of</u>	<u>Percentage of</u>
Bank of America	2,427	12.62%
Menorah Park Center	1,025	5.33
Cleveland Clinic Foundation	767	3.99
Nordstrom	715	3.72
City of Beachwood	472	2.45
Montefiore Home	471	2.45
Beachwood Board of Education	446	2.32
Developers Diversified	390	2.03
Tremco Incorporated	329	1.71
Brulant	228	1.19
Total	<u>7,270</u>	<u>37.80%</u>
Total employment within the School District	<u>19,231</u>	

Source: Regional Income Tax Agency and City of Beachwood

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Fairmount Elementary School</b>										
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	84	75	75	75	79	74	67	70	84	76
Student Capacity	220	220	220	220	220	220	220	220	220	220
Regular Instruction Classrooms	8	8	8	8	8	8	8	8	8	8
Regular Instruction Teachers	4	3.6	3.21	3.21	2.88	2	2	3	3	3
Special Instruction Classrooms	2	2	2	2	2	2	3	3	3	3
Special Instruction Teachers	0.5	0.6	1	1	1	1	1	1.68	1.75	1.75
% of students who receive free/reduced lunch	5.0%	0	0	0	0	0	0	0.00**	0.00**	0.00**
* Includes special ed Pre k and preschool students										
** Lunch not served at Fairmount										
<b>Bryden Elementary School</b>										
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	239	278	278	233	260	276	303	307	274	248
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	17.98	17.37	17.37	18.4	17.4	16.9	18	19	18
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	2.4	2.4	3	3	4	4.2	4.2	5.00	4.38	6.53
% of students who receive free/reduced lunch	6.12%	7.79%	9.01%	9.01%	7.30%	13.76%	12.21%	11.31%	11.31%	8.20%
<b>Hilltop Elementary School</b>										
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	269	294	294	325	361	321	294	284	312	295
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	20.8	20.88	20.88	19.98	17.3	16.38	20.56	25	20
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	5	5	8	8	7	6.2	8.8	9.4	6.42	8
% of students who receive free/reduced lunch	10.00%	9.89%	14.15%	14.15%	12.74%	11.21%	9.52%	10.09%	10.09%	6.31%
<b>Beachwood Middle School</b>										
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	363	348	348	311	318	358	336	320	288	317
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	22.96	22.3	22.3	21.4	21.58	21.58	21.2	22	22
Special Instruction Classrooms	6	6	3	3	3	3	3	3	3	3
Special Instruction Teachers	6.07	6.07	5.2	5.2	5	5.8	7	6	4.7	7
% of students who receive free/reduced lunch	9.16%	8.74%	10.28%	10.28%	12.26%	11.45%	14.88%	10.73%	10.73%	6.01%
<b>Beachwood High School</b>										
Constructed in 1958										
Additions in 2002 and 2003, 2013										
Total Building Square Footage	256,113	256,113	256,113	256,113	208,509	208,509	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12	639	643	643	635	627	650	692	667	669	669
Student Capacity	1350	1350	1350	1350	1180	1180	1180	1,180	1,180	1,180
Regular Instruction Classrooms	45	45	45	45	40	40	40	40	40	40
Regular Instruction Teachers	40.54	40.54	41.8	41.8	42.73	41.185	42.7	40	45	45
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	6.6	6.6	7	7	7	8	8	8	8	9.5
% of students who receive free/reduced lunch	8.42%	10.99%	12.12%	12.12%	11.64%	10%	8.67%	5.30%	5.30%	3.08%
Source: District Records										

**Beachwood City School District**

**Per Pupil Cost  
Last Ten Fiscal Years**

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<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership (2)</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2017	\$33,022,872	1,510	\$21,869	3.67%
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%

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**

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<u>Fiscal Year</u>	<u>Beachwood Attendance Rate</u>	<u>State Average</u>	<u>Beachwood 4 year Graduation Rate</u>	<u>State Average</u>
2017	94.8%	93.9%	97.6%	83.4%
2016	95.7	94.1	96.6	83.5
2015	95.4	94.1	96.9	83.0
2014	96.3	94.2	95.9	81.3
2013	95.9	94.2	95.7	81.3
2012	96.3	93.0	92.6	90.0
2011	96.2	93.0	100.0	90.0
2010	95.9	94.3	97.1	83.0
2009	95.6	94.3	98.5	84.6
2008	95.7	94.2	97.7	86.9

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Regular Instruction</b>										
Preschool Classroom Teachers	4.00	3.60	3.21	3.21	2.88	2.42	2.00	2.00	3.00	3.00
Preschool Aides	3.20	3.80	4.14	4.14	4.60	3.61	3.36	2.32	3.43	3.92
Preschool After Care Instructor	-	-	-	-	-	-	-	-	-	0.00
Elementary Classroom Teachers	34.50	34.50	32.93	32.97	32.47	30.47	31.47	29.00	30.47	28.47
Instructional Assistants	1.00	1.00	1.00	-	-	-	-	-	-	1.80
Art/Music/PE/Technology K-12	15.05	15.05	17.18	17.18	17.18	18.16	18.16	18.66	19.66	19.67
HS/MS Classroom Teachers	57.50	57.50	48.30	48.30	47.63	46.64	46.70	49.07	47.10	48.05
<b>Special Instruction</b>										
Preschool Special Ed.	0.50	0.60	1.00	1.00	1.00	1.00	1.00	1.68	1.75	1.75
ESL	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Language Delayed/Cognitive Disabilities	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Deaf/Hard of Hearing	3.00	3.00	3.75	4.00	4.00	4.50	5.00	5.00	5.00	5.00
Intervention Specialists	15.90	16.40	15.75	13.00	13.00	14.00	14.00	14.00	14.00	13.50
Special Ed Assistants	30.89	30.40	33.57	34.57	34.97	36.74	33.15	34.05	35.00	36.80
Gifted Education Teachers	3.00	2.07	2.27	2.27	4.00	4.00	4.00	4.00	4.00	4.00
<b>Vocational Instruction</b>										
High School Classroom Teachers	5.60	5.00	6.00	6.00	6.00	6.50	7.50	7.00	7.00	5.25
<b>Pupil Support Services</b>										
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	7.00
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	3.00	2.50	3.00
Psychologists	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	3.00	3.00
Audiologist and Speech & Lang	3.30	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.20	5.20
Nurses	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10
Educational Interpreters	6.52	7.22	7.60	8.42	8.50	9.36	10.00	10.00	10.00	10.34
Occupational Therapist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Tutors	8.00	4.75	4.75	4.01	3.41	4.53	2.58	2.32	5.80	3.71
<b>Administrators/Supervisors</b>										
Central Office	6.00	6.00	6.00	6.00	6.00	3.00	4.00	4.00	4.00	4.00
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MiddleSchool/High School	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	5.00	5.00
Supervisors	6.00	6.00	4.50	4.00	3.00	5.00	4.00	5.00	5.00	6.00
Community Education Coordinator	-	-	-	-	-	0.00	0.00	0.63	0.63	0.63
<b>Administrative Support</b>										
Administrative/Office Assistants	15.00	15.00	15.00	15.00	15.00	15.00	16.00	16.53	16.50	17.00
<b>Operation of Plant</b>										
Cleaners	7.00	5.00	8.00	9.45	10.40	11.00	11.00	11.00	11.00	11.00
Custodians	13.00	13.00	10.00	10.00	9.00	9.89	9.00	9.00	9.00	10.00
Maintenance/Grounds	5.00	5.00	4.00	4.00	4.00	3.00	3.00	4.00	5.00	5.00
<b>Pupil Transportation</b>										
Bus Drivers	19.00	17.00	18.30	19.86	18.87	14.93	18.15	18.15	20.26	21.71
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Treasurer's Office Staff</b>										
Technology	5.00	4.60	5.00	5.00	5.00	4.60	4.60	4.60	4.60	4.60
<b>Food Service Program</b>										
High School Cooks	-	-	-	-	-	-	-	-	-	3.00
Food Service Worker	-	-	-	-	-	-	-	-	-	6.48
Lunch Aides	-	-	-	-	-	-	-	-	-	0.00
<b>Totals</b>	<b>296.96</b>	<b>290.09</b>	<b>289.85</b>	<b>289.98</b>	<b>288.51</b>	<b>286.95</b>	<b>287.27</b>	<b>289.71</b>	<b>302.00</b>	<b>314.98</b>

Source: District records

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

Degree	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bachelor's Degree	14	17	7	9	14	13	13	12	12	12
Bachelor+ 12	5	4	3	5	3	7	3	3	2	9
Bachelor + 24	3	3	4	6	7	7	8	6	9	11
Bachelor + 30	6	8	6	4	2	2	2	2	2	2
Master's Degree	39	46	50	45	43	40	40	50	48	48
Master + 12	30	25	26	24	24	25	29	25	28	31
Master + 24	18	21	21	21	19	25	22	20	18	19
Master + 36	20	18	19	26	25	21	20	21	23	24
Master + 60	<u>25</u>	<u>18</u>	<u>21</u>	<u>20</u>	<u>23</u>	<u>20</u>	<u>23</u>	<u>19</u>	<u>20</u>	<u>19</u>
Total	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>157</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>160</u></u>	<u><u>158</u></u>	<u><u>162</u></u>	<u><u>175</u></u>

Source: School District Records

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

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<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle School/ High School</u>	<u>Total</u>
2017	508	1,002	1,510
2016	541	1,009	1,550
2015	572	991	1,563
2014	593	933	1,526
2013	638	946	1,584
2012	616	1,008	1,624
2011	621	1,028	1,649
2010	617	987	1,604
2009	614	957	1,571
2008	559	986	1,545

Source: Beachwood City Schools EMIS records

***Beachwood City School District***

ACT Composite Scores

Last Ten School Years

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<u>School Year</u>	<u>Number of Test Takers</u>	<u>Number of Seniors</u>	<u>Beachwood Composite</u>	<u>Ohio Composite</u>	<u>National Composite</u>
2017	121	138	25.2	22.0	21.0
2016	106	125	24.8	22.0	20.8
2015	100	113	24.5	22.0	21.0
2014	115	132	26.0	22.0	21.0
2013	106	121	26.3	21.8	20.9
2012	122	138	25.3	21.8	21.1
2011	131	160	26.0	21.8	21
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1
2008	226	131	25.0	21.7	21.1

Source: High School Guidance Department  
Beachwood City School District

***Beachwood City School District***  
**SAT Composite Scores**  
**Last Ten School Years**

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<u>School Year</u>	<u>Number of Senior Test Takers</u>	<u>Beachwood Reading/Verbal</u>	<u>Ohio Reading/Verbal</u>	<u>National Reading/Verbal</u>	<u>Beachwood Math</u>	<u>Ohio Math</u>	<u>National Math</u>
2017	40	654	570	533	645	565	527
2016	28	606	556	494	624	563	508
2015	28	625	557	495	635	563	511
2014	36	613	555	497	643	562	513
2013	38	653	548	496	653	556	514
2012	60	602	593	496	631	552	514
2011	67	563	539	497	568	545	514
2010	64	616	538	501	625	548	516
2009	70	573	537	501	606	546	515
2008	68	619	534	502	635	544	515

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 16, 2018**