

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

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2018**

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

OHIO AUDITOR OF STATE KEITH FABER



January 24, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

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

Keith Faber
Auditor of State
Columbus, Ohio

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Dave Yost • Auditor of State

Board of Education
Beachwood City School District
24601 Fairmount Blvd
Beachwood, OH 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, 2017 through June 30, 2018. 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 11, 2019

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**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	Under Separate Cover
Comprehensive Annual Financial Report	Under Separate Cover
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Schedule of Prior Findings and Recommendations	3

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 27, 2018, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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



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

November 27, 2018

**BEACHWOOD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2018**

The prior audit report, as of June 30, 2017, 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, 2018



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, 2018
Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Table of Contents	i
Letter of Transmittal	1
Board Members and Appointed Officials	8
Organizational Chart	9
GFOA Certificate of Achievement	10
<u>Financial Section</u>	
Independent Auditor’s Report	11
Management’s Discussion and Analysis	14
A. Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	27
Statement of Activities	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds	29
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	31
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual – General Fund	33
Statement of Fund Net Position – Proprietary Fund	34
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	35
Statement of Cash Flows – Proprietary Fund	36
Statement of Fiduciary Net Position – Fiduciary Fund	37

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018
Table of Contents

Notes to the Basic Financial Statements 38

Required Supplementary Information

Schedule of the District’s Proportionate Share of the Net Pension Liability - School Employees Retirement System (SERS) of Ohio - Last Five Fiscal Years 83

Schedule of the District’s Proportionate Share of the Net Pension Liability - State Teachers Retirement System (STRS) of Ohio - Last Five Fiscal Years 84

Schedule of District Contributions – Pension School Employees Retirement System (SERS) of Ohio - Last Ten Fiscal Years 85

Schedule of District Contributions – Pension State Teachers Retirement System (STRS) of Ohio – Last Ten Fiscal Years 86

Schedule of the District’s Proportionate Share of the Net OPEB Liability - School Employees Retirement System (SERS) of Ohio – Last Two Fiscal Years 87

Schedule of the District’s Proportionate Share of the Net OPEB Liability - State Teachers Retirement System (STRS) of Ohio - Last Two Fiscal Years 88

Schedule of District Contributions – OPEB School Employees Retirement System (SERS) of Ohio - Last Ten Fiscal Years 89

Schedule of District Contributions - OPEB State Teachers Retirement System (STRS) of Ohio – Last Ten Fiscal Years 90

Notes to Required Supplementary Information 91

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Governmental Funds:

Description of Funds 93

Combining Balance Sheet – Nonmajor Governmental Funds..... 95

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 96

Combining Balance Sheet – Nonmajor Special Revenue Funds 97

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds..... 101

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018
Table of Contents

Combining Statements – Fiduciary Funds:

Description of Funds	105
Combining Statements of Changes in Assets and Liabilities – Agency Funds	106

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual:

Major Funds:	
General Fund	107
Bond Retirement Fund	111
Permanent Improvement Fund	112

Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual, continued:

NonMajor Funds:	
Food Service	113
Special Trust	114
Uniform Supplies	115
Marketing School Store	116
Recreation	117
Consortium Fund	118
Pupil Support	119
Misc. Local Grants	120
Termination Benefits	121
Preschool	122
District Managed Student Activities	123
Auxiliary Services	124
One Net	125
IDEA B	126
Title III	127
Title I	128
Preschool Handicapped Grant	129
Title II-A	130
Health Care Benefits	131

Statistical Tables

Financial Trends

Statistical Section Contents.....	S 1
Net Position by Component Last Ten Fiscal Years	S 2
Changes in Net Position of Governmental Activities Last Ten Fiscal Years	S 3 – S5
Fund Balances, Governmental Funds Last Nine Fiscal Years	S 6
Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years	S 7

BEACHWOOD CITY SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018
Table of Contents

Statistical Tables, continued

Revenue Capacity

Assessed and Estimated Actual Value of Taxable Property, Last Ten Years..... S 8

Property Tax Rates – Direct and Overlapping Last Ten Years..... S 9

Property Tax Levies and Collections, Real and Personal Property
 - Last Ten Calendar Years..... S 10

Principal Property Taxpayers - Real Estate Tax S 11

Principal Property Taxpayers – Public Utility Tax S 12

Debt Capacity

All Outstanding Debt Last Ten Years..... S 13

Computation of Direct and Overlapping Debt S 14

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt
 Per Capita Last Ten Years..... S 15

Computation of Legal Debt Margin Last Ten Years S 16

Economic and Demographic Information and Operating Information

Demographic and Economic Statistics Last Ten Years S 17

Principal Employers..... S 18

Building Statistics by Fund/Program Last Ten Fiscal Years S 19

Per Pupil Cost Last Ten Fiscal Years..... S 20

Attendance and Graduation Rates Last Ten School Years S 21

School District Employees by Function/Program Last Ten Fiscal Years..... S 22

Full-Time Equivalent School District Teachers by Education Last Ten Fiscal Years..... S 23

Enrollment Statistics Last Ten Fiscal Years S 24

ACT Composite Scores Last Ten School Years S 25

SAT Composite Scores Last Ten School Years..... S 26

INTRODUCTORY

SECTION

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**BEACHWOOD CITY SCHOOL
DISTRICT**

24601 Fairmount Boulevard
Beachwood, OH 44122
Phone: 216.464.2600

November 27, 2018

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, 2018, 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 1,498 students from Pre-K through 12th grade in five instructional facilities.

Major Initiatives

Mission and Vision

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

Board of Education Goals

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

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

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

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

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

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

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

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

Major Initiatives and Accomplishments

Academic Distinctions

Beachwood City Schools earned many excellent marks on the state's 2018 school report card:

- "A" for Overall District Grade
- "A" Overall Grade for each of our schools - BHS, BMS, Hilltop, and Bryden
- "A" for District Progress - the measure of how much growth Beachwood students demonstrated over three academic years
- "A" for District Gap Closing - the measure of how well various student populations are performing (e.g. by racial or socioeconomic demographics, English Learners, Students with Disabilities)
- "A" for Graduation Rate

The value Beachwood's community places on education is the foundation for our work and our success.

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

Beachwood High School's graduation rate for the class of 2018 was 98%. Our high school administers 28 Advanced Placement exams and hosts 21 honors-level courses across various content areas. In addition, the University Hospitals-Beachwood High School Medical Academy and the Design & Innovation Program in partnership with Cleveland State University's Washkewicz College of Engineering offer our students unique learning experiences.

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

The Design & Innovation Program completed its sixth year and boasts more than 63 students enrolled in its course sequence. Beachwood seniors in this program take part in real-world engineering challenges posed by Cleveland State University’s industry partners under the guidance of a university advisor. In addition, students in the program’s 2nd and 3rd year courses earn 4 college engineering credits, transferable to any Ohio public university.

Many Cultures, One Bison

During the 2017-2018 school year, our high school students brought forth the Many Cultures, One Bison initiative that seeks to celebrate the diversity of our community while fostering unity at the same time. “One Bison” programming included a full-day summit with speakers on topics of diversity as well as student-facilitated discussions around school culture and climate. Ongoing programming has included further student-led discussions at the high school, bringing the initiative to our Middle School students, and the production of artwork that celebrates these themes.

Students and Staff in our Community

Beachwood students continued to engage in the community in myriad ways. Bryden School classes visited the senior living center, Stone Gardens, monthly to interact with the elderly. Students and seniors read books to one another, played games and made art projects. Beachwood High School students helped senior citizens stay connected with their tech-savvy families by serving as tech coaches. 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. In addition, Beachwood Schools’ families volunteered to assist the elderly or infirm in their neighborhoods with taking out and returning their trash cans on garbage collection day.

Athletics

Beachwood’s athletic programs continued to shine in 2017-2018. Multiple teams and individuals yielded record-breaking seasons: boys soccer, cross country, basketball, swimming, and track & field all broke school records. Beachwood was proud to boast 167 student-athletes who earned a 3.5 GPA or higher during the 2017-2018 school year!

Our Girls Track & Field team was crowned OHSAA State Champion for the second year in a row! The 4x100 relay won their third consecutive state championship and Senior Mia Knight earned individual state championships in the 100- and 200-meter dash. Senior Leah Roter and Sophomore Ashley Perryman finished top 8 in the state in the 3200-meter and long jump, respectively. Sophomores Maddie Alexander and Langston Gaines Smith both advanced to the State Track & Field Championships as well. In addition, the Bison Girls Track team won the OATCCC Indoor State Championships as well as the OHSAA Regional Championship for the second consecutive year. Mia Knight broke long-standing state records in the 100- and 200-meter dash.

Junior boys soccer player Spencer Shroge earned 2nd Team All Ohio honors. Senior football player Ben Connor earned 3rd Team All Ohio honors and Sophomore Dawann Gray earned Honorable Mention All Ohio football honors. Senior Mackenzie Davis and Junior Michael Schmidt earned 1st team All District honors in girls and boys soccer. Brian Greene earned his 200th victory as Boys Soccer Head Coach for the Bison. Senior cross country runner Leah Roter capped off her amazing career with a 1st place regional finish and a runner up finish at the OHSAA State Championships.

In girls basketball, Senior Taylor Royster ended her high school career with 1,931 points, the most in school history. She also broke a school record by scoring 46 points in one game and was named CVC MVP. Junior Jayson Woodrich and Freshman Collin Albert earned Special Mention All Ohio honors in boys basketball. In boys swimming, we broke school records in the 200-meter medley relay and the 200-meter freestyle relay. Junior Spencer Bystrom broke school records in the 100-meter back and in diving. Spencer finished 3rd in the state in diving, the highest finish in our school's history. Sophomore Amanda Leizman broke a school record in diving. In baseball, Senior Chris Reilly earned Mizuno All Ohio honors.

Financial Policies

The School District has not adopted any new financial policies that had significant impact on the 2018 financial statements.

Accounting and Budgetary Controls

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

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

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

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

Long-Term Financial Planning

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

GASB Statement 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB) Implementation:

The school district implemented GASB Statement 75 in fiscal year 2018 which had a significant impact on its net position. Historically the school district accounted for postemployment benefit costs under GASB 45 which focused on a funding approach. This approach limited OPEB costs to annual contributions required by law which may or may not be sufficient to fully fund each plan's OPEB liability. GASB 75 takes an earning approach to OPEB accounting. GASB notes that OPEB obligations whether funded or unfunded are part of the "employment exchange". GASB noted that the unfunded portion of the OPEB 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 notes 13 and 14 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 residential tax duplicate has increased by 9.5% due to reappraisal by the County. The district believes that strong public schools translate into high property values. The commercial property tax base remained relatively flat. The community's tax base is fairly evenly distributed between commercial and residential property. Fifty-one percent of the School District's valuation is comprised of residential property and forty-nine percent is comprised of commercial or public utility property.

The District also passed a 5.9 mills operating levy in November, 2018 which will generate \$4.3 million dollars in annual property tax revenues. The State of Ohio has continued to cut revenues to the schools and added unfunded mandates for Beachwood residents who attend private schools who are identified with a disability. These costs shifts and revenue reductions necessitated placing a property tax issue on the ballot to offset funding losses.

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. With the passage of a 5.9 mill levy in November, the operating mills are now 85.2 but will be reduced by HB 920. As of the date of these statements, the district has not yet been notified of the effective millage that will be collected effective January 1, 2019.

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

The State of Ohio in its pursuit of "choice" in education continues to erode tax dollars earmarked for public education. The State passed a bill with the "Jon Petersen Special Needs Scholarship" provision which allows private entities and private schools to become providers of special education services for students who attend private schools. Depending on the nature of the identification of the disability these providers will be paid \$7,598 to \$27,000 per pupil in funding from public schools. The School District does not receive any additional funding for these students. The School District receives on average \$734 per student from the State of Ohio for educating all of its students irrespective of disabilities. Funding levels from the State have remained stagnant since early 2007. The State continues to pass budget bills which erode funding for public schools while adding unfunded mandates which will force all public schools to seek additional tax dollars at the local level.

This is a major cost shift to local taxpayers.

In Fiscal Year 2018 the School District paid \$503,097 in Jon Peterson Scholarships (an increase of 94% over 2016 spending). If a student is identified with a disability an Individual Education Plan (IEP) is created only for Beachwood residents. 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 2018 was \$142,560. 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 2018 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, 2017. (This was the 30th 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 all of whom are CPA's, 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, Mrs. Marla Petti and Mr. David Ostro along with Mrs. Maria Bennett (Board Member) are to be commended for their efforts.



Michele E. Mills, MBA
Treasurer/CFO



Dr. Robert Hardis
Superintendent of Schools

Elected Officials

Board of Education

Mr. Brian WeissPresident

Ms. Maria Bennett Vice-President

Mr. Josh Mintz Member

Mr. Steve Rosen.....Member

Mrs. Jamie Elwell.....Member

Administration

Dr. Robert Hardis.....Superintendent

Ms. Michele E. Mills, MBATreasurer/CFO

Dr. Ken Veon..... Assistant Superintendent

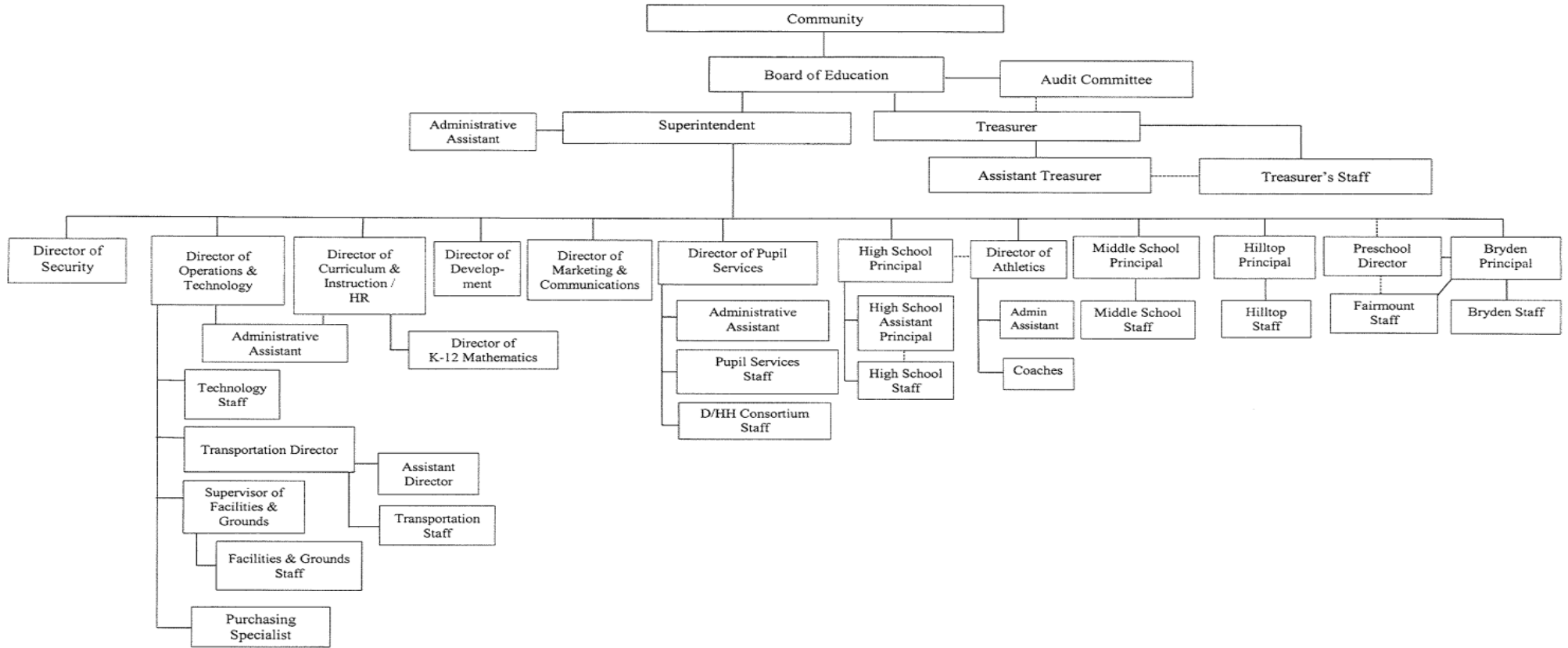
Ms. Lauren Broderick..... Director of Pupil Services

Mrs. Linda LoGalbo Director of 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, 2017

FINANCIAL

SECTION

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

The Honorable 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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, during 2018, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

November 27, 2018

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The discussion and analysis of the Beachwood City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. 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 2018 are as follows:

- The District implemented GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", which revises accounting for postemployment benefits other than pension costs and liabilities, resulting in a restatement of beginning net position from the previously reported \$11.1 million to a deficit of 1 million.
- In total, Net Position increased by \$16,917,970. The increase in net position is primarily due to the decrease in net pension liability of \$15.5 million.
- Total outstanding debt decreased \$2.4 Million and totaled \$32.6 Million. The District retired the 2007 advanced refunding of the Middle School issue and also retired the tax exempt portion of the 2010 HS bond issue.
- Net pension and other postemployment benefits liability combined for a decrease of \$17.7 million. The decrease was mainly due to better than expected investment returns.
- The general fund had a slightly lower but healthy fund balance of \$27 million of which \$22.2 million is unassigned and available to fund future day to day operations of the School District.
- Total expenses decreased \$16,137,291 in fiscal year 2018. The expenses include adjustments due to the recording of net pension liability and net OPEB liability. See page 22 for further analysis of expenses.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2018?" The Statement of Net Position and Statement of Activities answer this question. These statements include *all assets and deferred outflows of resources, all liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of these major funds begins on page 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.

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2018 compared to 2017:

Table 1 - Net Position

	Governmental Activities	
	2018	2017 *
ASSETS		
Current and Other Assets	\$ 62,792,185	\$ 62,836,068
Capital Assets, net	65,519,472	67,069,117
Total Assets	128,311,657	129,905,185
DEFERRED OUTFLOWS OF RESOURCES		
Pension	12,761,207	10,884,043
OPEB	522,629	124,468
Total Deferred Outflows of Resources	13,283,836	11,008,511
LIABILITIES		
Current and Other Liabilities	4,396,874	4,161,671
Long-term Liabilities:		
Due within one year	3,538,646	2,588,266
Due in more than one year:		
Net Pension Liability	43,755,685	59,242,905
Net OPEB Liability	10,467,759	12,646,179
Other Amounts	31,988,840	35,069,509
Total Liabilities	94,147,804	113,708,530
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	27,908,836	26,612,998
Pension	2,473,587	1,603,147
OPEB	1,158,275	-
Total Deferred Inflows of Resources	31,540,698	28,216,145
NET POSITION		
Net Investments in		
Capital Assets	32,937,533	31,984,915
Restricted	4,520,288	4,251,489
Unrestricted	(21,550,830)	(37,247,383)
Total Net Position (Deficit)	\$ 15,906,991	\$ (1,010,979)

* Restated

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

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

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

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

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

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

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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

As a result of implementing GASB 75, the School District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from \$11,510,732 to a deficit of \$1,010,979. See Note 3 for further information regarding the restatement of net position.

Total governmental assets and deferred outflows increased by \$681,797 while total governmental liabilities and deferred inflows of resources decreased by \$16,236,173 resulting in an increase in net position of \$16,917,970. The decrease in governmental assets is due primarily to a decrease in equity in cash and cash equivalents and a decrease in capital assets, net. The decrease in capital assets is due to depreciation exceeding capital outlay in fiscal year 2018. The changes in deferred outflows and inflows of resources, net pension liability and net OPEB liability is due primarily to the implementation of GASB 68 and 75 as previously discussed.

The recording of GASB Statement No. 68 and 75 requires the readers to perform additional calculations to determine the School District's total Net Position at June 30, 2018 without the recording of GASB Statement No. 68 and 75. This is an important exercise, as the State Pension Systems (SERS & STRS) collect, hold, invest, and distribute pensions to our employee, not the School District. These calculations are as follows:

Total Net Position including GASB 68 and GASB 75	\$	15,906,991
Add:		
Net Pension liability		43,755,685
Net OPEB Liability		10,467,759
Deferred Inflows - Pension		2,473,587
Deferred Inflows - OPEB		1,158,275
Less:		
Deferred Outflows - Pension		12,761,207
Deferred Outflows - OPEB		522,629
Total Net Position without GASB 68 and GASB 75		60,478,461

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 2 shows the changes in net position for fiscal year 2017 with revenue and expense comparisons to fiscal year 2018:

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
REVENUES		
Program Revenues:		
Charges for Services	\$ 3,162,983	\$ 2,943,721
Operating Grants and Contributions	<u>3,514,889</u>	<u>3,612,919</u>
Total Program Revenues	<u>6,677,872</u>	<u>6,556,640</u>
General Revenues:		
Property Taxes	30,415,528	25,380,072
Grants and Entitlements	4,323,371	5,132,300
Investment Income	85,373	395,352
All Other Revenues	<u>2,004,050</u>	<u>2,448,304</u>
Total General Revenues	<u>36,837,630</u>	<u>33,356,028</u>
Total Revenues	<u>43,515,502</u>	<u>39,912,668</u>
EXPENSES		
Program Expenses:		
Instruction		
Regular	6,981,461	14,185,332
Special	4,346,907	6,515,516
Vocational	774,033	1,221,206
Adult/Continuing	40,949	73,772
Other	48,096	312,115
Supporting Services:		
Pupil	1,255,338	2,627,312
Instructional Staff	1,108,353	2,074,132
Board of Education	511,650	355,408
Administration	1,298,941	2,472,009
Fiscal	811,820	996,628
Business	263,756	418,986
Operation and Maintenance of Plant	3,265,550	4,162,520
Pupil Transportation	1,015,455	1,938,172
Central	317,415	291,687
Operation of Non-Instructional Services	1,638,073	2,230,197
Extracurricular Activities	697,343	1,310,192
Interest and Fiscal Charges	<u>2,222,392</u>	<u>1,549,639</u>
Total Expenses	<u>26,597,532</u>	<u>42,734,823</u>
Change in Net Position	16,917,970	(2,822,155)
Net Position (Deficit)- Beginning of Year, Restated	(1,010,979)	N/A
Net Position (Deficit) - End of Year	<u>\$ 15,906,991</u>	<u>\$ (1,010,979)</u>

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and its value increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 69.9 percent of revenues for governmental activities for the School District in fiscal year 2018. 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, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount available as an advance at June 30 were levied to finance current fiscal year operations, which is recognized as revenue. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not levied to finance current year operations. Property tax revenues increased by \$5,035,456 on an accrual basis of accounting due to the recording of advances as tax revenue as previously discussed above. The amount of property tax revenue dropped in fiscal year 2017 due to a reduction in the amount available for advance at 2017 fiscal year end compared to 2016 fiscal year end. The total amounts available for advance at fiscal year ends 2018, 2017 and 2016 were \$2,565,536, 3,241,822 and 7,838,246, respectively. On a cash basis, property tax collections had a slight increase at \$31,034,502 received in fiscal year 2018 and \$29,934,533 in fiscal year 2017. The cash collections increased due to a change in federal tax law regarding deductions. Many tax advisors suggested that their clients prepay their January 2018 taxes in order to take the deduction write off in 2017. The School District estimates it collected approximately \$1 million dollars in additional taxes.

Instruction comprises 46 percent of governmental program expenses. Interest expense was 8.4 percent. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

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Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Total expenses decreased by \$16,137,291 mainly due to the recording of GASB 68 and 75. The effects of GASB 68 and 75 distort the comparative analysis of expenses due to the significant changes made by the pension systems in recording the aforementioned GASBs. As a result of the significant adjustments to program expenses for GASB 68 and GASB 75, the following adjustments are needed:

Total 2018 program expenses under GASB 68 and 75		\$	26,597,532
Negative NPL expense under GASB 68			13,380,815
2018 contractually required contribution - Pension			3,113,129
Negative OPEB expense under GASB 75			1,289,357
2018 contractually required contribution - OPEB			128,949
Adjusted 2018 program expenses			44,509,782
Total 2017 program expenses under GASB 68			42,734,823
NPL expense under GASB 68			(4,257,416)
2017 contractually required contribution - Pension			2,966,836
Adjusted 2017 program expenses			41,444,243
Increase in program expenses		\$	3,065,539

See page 22 for analysis of the Districts fund financial statements that do not include the pension expenses in relation to GASB Statement No. 68 and 75. See Notes 13 and 14 for more information regarding Net Pension and OPEB liability and the related pension expense.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements with comparisons to 2017.

Table 3 - Governmental Activities

	Total Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2018	Net Cost of Services 2017
Instruction	\$ 12,191,446	\$ 19,929,766	\$ 9,053,118	\$ 17,281,464
Supporting Services:				
Pupils and Instructional Staff	2,363,691	4,070,178	1,749,667	3,643,375
Board of Education, Administration, Fiscal Services, and Business	2,886,167	4,158,348	2,882,207	4,126,678
Operation and Maintenance of Plant	3,265,550	3,944,032	2,827,716	3,573,758
Pupil Transportation	1,015,455	1,722,149	596,206	1,266,880
Central	317,415	247,360	317,415	243,698
Operation of Non-Instructional Services	1,638,073	1,883,317	(369,981)	(31,023)
Extracurricular Activities	697,343	1,191,246	640,920	1,143,794
Interest and fiscal charges	2,222,392	1,437,967	2,222,392	1,437,967
Total cost of service	\$ 26,597,532	\$ 38,584,363	\$ 19,919,660	\$ 32,686,591

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

The dependence upon tax revenues for governmental activities is apparent. Over 74 percent of instruction activities are supported through taxes and other general revenues and for all governmental activities general revenue support is over 74 percent. The community, as a whole, is by far the primary support for the School District's students. The large decrease in Instruction is due to GASB 68 and 75 as previously discussed.

The School District's Funds

Information about the School District's major funds starts on page 29. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$43,627,695 and expenditures and other financing uses of \$45,257,898.

The net fund balance decreased in the general fund by \$1,400,533 due to increasing costs to the general fund primarily in the area of regular and special education expenditures.

The net fund balance slightly increased in the bond retirement fund by \$135,568 due to higher revenue collections.

The net fund balance decreased in the permanent improvement by \$428,395 due to the higher allocation of revenues to pay for qualified school construction bonds which borrowed funds from the permanent improvement fund over a 10 year period in order to take advantage of federal stimulus funds which allowed the district to borrow funds with 100% of the interest rebated by the federal government less sequestration.

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 2018, 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 \$1,049,686 greater than the final budget estimates of \$34,640,330. The School District's ending un-obligated cash balance was \$1,185,413 more than the final budgeted amount as expenditures were less than anticipated in the areas of instruction, pupil support services, and instructional staff.

There were seven amendments to the original appropriations during fiscal year 2018. The budget increased predominantly due to amendments to the auxiliary services fund.

Capital Assets

At the end of fiscal 2018, the School District had \$65,519,472 invested in land, buildings, equipment, buses and other vehicles, all in governmental activities. See Note 10 to the basic financial statements for more detailed information on capital asset activity.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 4 shows fiscal 2018 balances compared to 2017:

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

	Governmental Activities	
	2018	2017
Land	\$ 978,708	\$ 978,708
Construction in progress	379,165	4,137,665
Land Improvements	1,768,071	1,675,292
Buildings and Building Improvements	60,669,772	58,490,288
Vehicles	735,001	736,389
Equipment	988,755	1,050,775
Total Net Capital Assets	\$ 65,519,472	\$ 67,069,117

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

For fiscal year 2018, Ohio law required school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2018, this amounted to \$261,788 for the set aside. For fiscal year 2018, the School District had qualifying disbursements or offsets exceeding this requirement.

Debt

At June 30, 2018, the School District had \$32,581,939 in bonds and notes outstanding, \$3,315,000 due within one year. Table 5 summarizes bonds and notes outstanding. See Note 16 to the basic financial statements for more detailed information on long-term debt activity.

Under the current Ohio Revised Code, the School District's general obligation bonded debt issuances are subject to a legal limitation on both voted and un-voted debt. The limitation is based on 9% and .1%, respectively, of the total assessed value of real and personal property. At June 30, 2018, the School District's voted general obligation bonded debt of \$26,994,966 is below the legal limit of \$41,796,639 (voted). In addition, the School District had no un-voted debt at June 30, 2018. Moody's rating for the School District's bonds is Aaa, the highest rating Moody's assigns to debt issues. The School District's Certificates of Participation was rated Aa1 by Moody's. It is typical for CoPS issues to be rated one level lower than a public entity's bond rating due to the nature of CoPS which are lease purchase transactions subject to payment via the annual appropriation measure.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Table 5 - Outstanding Debt at June 30,

	Governmental Activities	
	2018	2017
2010 Tax Anticipation Notes	\$ 1,235,000	\$ 1,785,000
2016 Certificates of Participation	4,195,000	4,565,000
2016 COPs Premium	156,973	174,414
2007 Advanced Refunded Bonds	-	129,997
2010 School Improvement Bonds	-	1,075,000
2010 School Improvement Premium	-	45,656
2010 Qualified School Construct Bonds	11,140,000	11,260,000
2013 Refunding	4,705,000	4,840,000
2014 Refunding Tax Exempt Bonds	11,149,966	11,149,966
Total Outstanding Debt	\$ 32,581,939	\$ 35,025,033

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

For the Future

The School District closed out its fiscal year on June 30, 2018 with some uncertainty. The School District failed a combined operating and bond issue in May, 2018 by 5 votes. The School District was negotiating with its teachers whose contract ended August 31, 2018. By mutual agreement, negotiations were suspended until the financial future was more certain. The District passed a 5.9 mill operating levy in November, 2018 and will soon enter negotiations with the teachers.

The School District's next major initiative is to review the condition of our two aging elementary buildings. The extensive review will include all stakeholder groups. The elementary buildings are 62 years old and in need of a major capital infusion. The School District had proposed to the community to consolidate the elementary buildings into one state of the art elementary school at its early childhood center site to achieve both educational benefits and cost efficiencies. No decision has been made as to the direction of this project at the time of the issuance of the financial statements.

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

The City of Beachwood created a community reinvestment area in the southern portion of the community which will provide up to 50% property tax abatement for homes and/or businesses to invest in their properties and to attract new businesses to the area. The impact of this agreement on the financial statements is not yet known as only one application has been submitted and approved. The company has not yet relocated to the community.

Beachwood City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

Contacting the School District's Financial Management

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

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BASIC

FINANCIAL

STATEMENTS

Beachwood City School District
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Equity in Pooled Cash and Cash Equivalents	\$ 31,761,767
Cash and Cash Equivalents:	
In Segregated Accounts	134,873
Property Taxes Receivable	30,648,428
Accrued Interest Receivable	107,290
Accounts Receivable	15,790
Intergovernmental Receivable	77,430
Materials and Supplies Inventory	46,607
Nondepreciable Capital Assets	1,357,873
Depreciable Capital Assets, Net	64,161,599
Total Assets	128,311,657
DEFERRED OUTFLOWS OF RESOURCES	
Pension	12,761,207
OPEB	522,629
Total Deferred Outflows of Resources	13,283,836
LIABILITIES	
Accounts Payable	159,355
Accrued Wages and Benefits	3,227,824
Intergovernmental Payable	500,117
Matured Bonds Payable	86,363
Accrued Interest Payable	117,365
Matured Compensated Absences Payable	29,150
Claims Payable	276,700
Long-term Liabilities:	
Due within one year	3,538,646
Due in more than one year:	
Net Pension Liability	43,755,685
Net OPEB Liability	10,467,759
Other amounts due in more than one year	31,988,840
Total Liabilities	94,147,804
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	27,908,836
Pension	2,473,587
OPEB	1,158,275
Total Deferred Inflows of Resources	31,540,698
NET POSITION	
Net Investment in Capital Assets	32,937,533
Restricted:	
Debt Service	3,221,659
Set-Asides	134,873
State Funded Programs	42,177
Federally Funded Programs	53,284
Student Activities	78,829
Preschool	924,150
Other Purposes	65,316
Unrestricted	(21,550,830)
Total Net Position	\$ 15,906,991

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	<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>	
Governmental activities:				
Instruction:				
Regular	\$ 6,981,461	\$ 200,877	\$ 640,042	\$ (6,140,542)
Special	4,346,907	610,730	1,211,893	(2,524,284)
Vocational	774,033	232,089	237,702	(304,242)
Adult/Continuing Instruction	40,949	4,995	-	(35,954)
Other	48,096	-	-	(48,096)
Supporting Services:				
Pupils	1,255,338	447,634	155,581	(652,123)
Instructional Staff	1,108,353	3,609	7,200	(1,097,544)
Board of Education	511,650	-	-	(511,650)
Administration	1,298,941	-	3,960	(1,294,981)
Fiscal Services	811,820	-	-	(811,820)
Business	263,756	-	-	(263,756)
Operation and Maintenance of Plant	3,265,550	409,509	28,325	(2,827,716)
Pupil Transportation	1,015,455	41,397	377,852	(596,206)
Central	317,415	-	-	(317,415)
Operation of Non-Instructional Services:				
Food Service Operations	542,926	379,293	62,629	(101,004)
Community Services	1,095,147	776,427	789,705	470,985
Extracurricular Activities	697,343	56,423	-	(640,920)
Interest and Fiscal Charges	2,222,392	-	-	(2,222,392)
Total Governmental activities	\$ 26,597,532	\$ 3,162,983	\$ 3,514,889	(19,919,660)
General Revenues:				
Property Taxes levied for:				
				26,265,969
				4,149,559
				4,323,371
				85,373
				9,308
				2,004,050
				<u>36,837,630</u>
				16,917,970
				(1,010,979)
				<u>\$ 15,906,991</u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Balance Sheet
Governmental Funds
June 30, 2018

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 22,771,839	\$ 3,059,564	\$ 449,279	\$ 3,449,768	\$ 29,730,450
Cash and Cash Equivalents:					
In Segregated Accounts	134,873	-	-	-	134,873
Materials and Supplies Inventory	41,199	-	-	5,408	46,607
Accrued Interest Receivable	107,290	-	-	-	107,290
Accounts Receivable	7,951	-	-	7,839	15,790
Due from Other Funds	3,215,000	-	-	-	3,215,000
Interfund Receivable	1,965,336	-	-	-	1,965,336
Intergovernmental Receivable	44,351	-	-	33,079	77,430
Property Taxes Receivable	26,469,384	3,666,093	512,951	-	30,648,428
Total Assets	\$ 54,757,223	\$ 6,725,657	\$ 962,230	\$ 3,496,094	\$ 65,941,204
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 137,890	\$ -	\$ -	\$ 21,465	\$ 159,355
Accrued Wages and Benefits	2,876,725	-	-	351,099	3,227,824
Intergovernmental Payable	419,974	-	-	80,143	500,117
Matured Compensated Absences Payable	29,150	-	-	-	29,150
Interfund Payable	-	-	-	1,965,336	1,965,336
Due to Other Funds	-	-	3,215,000	-	3,215,000
General Obligation Bonds Payable	-	86,363	-	-	86,363
Total Liabilities	3,463,739	86,363	3,215,000	2,418,043	9,183,145
Deferred Inflows of Resources:					
Property Taxes	24,151,448	3,300,270	457,118	-	27,908,836
Unavailable Revenues - Delinquent Property Taxes	147,285	18,135	8,636	-	174,056
Unavailable Revenues - Grants	-	-	-	33,079	33,079
Unavailable Revenues - Other	1,985	-	-	3,985	5,970
Total Deferred Inflows of Resources	24,300,718	3,318,405	465,754	37,064	28,121,941
Fund Balances:					
Nonspendable	41,199	-	-	5,408	46,607
Restricted	149,705	3,320,889	-	1,190,753	4,661,347
Committed	214,660	-	-	-	214,660
Assigned	4,360,215	-	-	-	4,360,215
Unassigned (Deficit)	22,226,987	-	(2,718,524)	(155,174)	19,353,289
Total Fund Balances (Deficit)	26,992,766	3,320,889	(2,718,524)	1,040,987	28,636,118
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 54,757,223	\$ 6,725,657	\$ 962,230	\$ 3,496,094	\$ 65,941,204

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, 2018

Total Governmental Fund Balances \$ 28,636,118

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

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. 65,519,472

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

Delinquent property taxes	\$ 174,056	
Grants	33,079	
Other	5,970	
Total	213,105	213,105

The net pension liability and net OPEB liability are 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	12,761,207	
Deferred Inflows - Pension	(2,473,587)	
Net Pension Liability	(43,755,685)	
Deferred Outflows - OPEB	522,629	
Deferred Inflows - OPEB	(1,158,275)	
Net OPEB Liability	(10,467,759)	
Total	(44,571,470)	(44,571,470)

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. 1,754,617

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

Long-Term Notes Payable	(5,586,973)	
General Obligation Bonds	(26,994,966)	
Accrued interest payable	(117,365)	
Compensated absences	(2,945,547)	
Total	(35,644,851)	(35,644,851)

Net Position of Governmental Activities **\$ 15,906,991**

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, 2018

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property and Other Local Taxes	\$ 26,216,975	\$ 3,916,904	\$ 224,337	\$ -	\$ 30,358,216
Intergovernmental	4,995,166	885,451	100,065	1,900,525	7,881,207
Interest	11,848	-	70,407	3,118	85,373
Tuition and Fees	363,002	-	-	1,707,421	2,070,423
Extracurricular Activities	-	-	-	56,423	56,423
Rentals	409,509	-	-	-	409,509
Customer Sales and Services	144,602	-	-	397,932	542,534
Contributions and Donations	8,023	-	-	16,165	24,188
All Other Revenues	1,939,250	-	-	1,264	1,940,514
Total Revenues	34,088,375	4,802,355	394,809	4,082,848	43,368,387
EXPENDITURES					
Current:					
Instruction:					
Regular	12,465,154	-	-	68,939	12,534,093
Special	6,679,074	-	-	590,420	7,269,494
Vocational	325,808	-	-	684,854	1,010,662
Adult/Continuing	2,891	-	-	77,196	80,087
Other	191,074	-	-	-	191,074
Supporting Services:					
Pupils	1,833,866	-	-	712,787	2,546,653
Instructional Staff	1,621,728	-	-	10,945	1,632,673
Board of Education	504,063	-	-	-	504,063
Administration	2,386,715	-	-	7,612	2,394,327
Fiscal Services	1,148,971	-	-	-	1,148,971
Business	380,556	-	-	-	380,556
Operation and Maintenance of Plant	3,953,967	-	62,000	54,473	4,070,440
Pupil Transportation	1,644,348	-	-	-	1,644,348
Central	306,702	-	-	-	306,702
Operation of Non-Instructional Services:					
Food Service Operations	-	-	-	439,577	439,577
Community Services	37,034	-	-	1,409,846	1,446,880
Extracurricular Activities	1,114,462	-	18,182	147,249	1,279,893
Capital Outlay	591,167	-	743,022	65,793	1,399,982
Debt Service:					
Principal Retirement	59,169	2,379,997	-	-	2,439,166
Interest and Fiscal Charges	1,467	2,286,790	-	-	2,288,257
Total Expenditures	35,248,216	4,666,787	823,204	4,269,691	45,007,898
Excess of Revenues Over (Under) Expenditures	(1,159,841)	135,568	(428,395)	(186,843)	(1,639,511)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	9,308	-	-	-	9,308
Transfers In	-	-	-	250,000	250,000
Transfers Out	(250,000)	-	-	-	(250,000)
Total Other Financing Sources (Uses)	(240,692)	-	-	250,000	9,308
Net Change in Fund Balances	(1,400,533)	135,568	(428,395)	63,157	(1,630,203)
Fund Balances (Deficit) - Beginning of Year	28,393,299	3,185,321	(2,290,129)	977,830	30,266,321
Fund Balances (Deficit) - End of Year	\$ 26,992,766	\$ 3,320,889	\$ (2,718,524)	\$ 1,040,987	\$ 28,636,118

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, 2018

Net Change in Fund Balances-Total Governmental Funds \$ (1,630,203)

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

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

Capital outlay	\$	1,399,982	
Depreciation		<u>(2,939,644)</u>	
Total			(1,539,662)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas, in the Governmental Funds, the proceeds from the disposals increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets. (9,983)

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

Delinquent property taxes	57,312		
Grants	24,587		
Other	<u>(71,498)</u>		
Total			10,401

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. 2,439,166

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

Pension		3,113,129	
OPEB		128,949	

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

Pension		13,380,815	
OPEB		1,289,357	

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	(371,974)		
Accrued interest	2,768		
Amortization of bond premiums	<u>63,097</u>		
Total			(306,109)

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. 42,110

Change in Net Position of Governmental Activities \$ 16,917,970

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance – Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 26,200,855	\$ 26,690,975	\$ 26,775,530	\$ 84,555
Intergovernmental	4,677,277	4,291,613	4,950,815	659,202
Interest	400,000	475,000	534,758	59,758
Tuition and Fees	297,981	297,981	443,801	145,820
Rent	346,744	371,000	409,509	38,509
Contributions and Donations	15,600	15,600	8,023	(7,577)
Customer Sales and Services	164,800	134,820	144,602	9,782
Miscellaneous	1,877,818	1,946,941	1,948,554	1,613
Total Revenues	33,981,075	34,223,930	35,215,592	991,662
EXPENDITURES:				
Current:				
Instruction:				
Regular	12,367,195	12,537,411	12,496,577	40,834
Special	5,598,116	6,618,120	6,612,661	5,459
Vocational	485,339	402,939	399,277	3,662
Student Intervention Services	3,463	3,463	2,891	572
Other	302,221	217,946	192,856	25,090
Support Services:				
Pupils	1,965,319	1,886,719	1,868,347	18,372
Instructional Staff	1,950,888	1,679,508	1,663,386	16,122
Board of Education	475,808	515,308	513,464	1,844
Administration	2,502,280	2,390,480	2,386,349	4,131
Fiscal	1,201,024	1,163,579	1,154,373	9,206
Business	427,938	368,818	366,632	2,186
Operation and Maintenance of Plant	4,275,726	4,002,726	4,000,506	2,220
Pupil Transportation	2,111,795	1,969,715	1,966,617	3,098
Central	395,094	333,224	332,062	1,162
Community Services	51,000	45,100	43,419	1,681
Extracurricular Activities:				
Academic Oriented Activities	162,584	162,584	182,303	(19,719)
Sport Oriented Activities	903,191	882,116	859,443	22,673
School and Public Service Co-Curricular Activities	46,269	46,269	48,433	(2,164)
Total Expenditures	35,225,250	35,226,025	35,089,596	136,429
Excess of Revenues Over (Under) Expenditures	(1,244,175)	(1,002,095)	125,996	1,128,091
OTHER FINANCING SOURCES AND (USES):				
Transfers In	406,000	406,000	462,024	56,024
Proceeds from Sale of Capital Assets	2,500	10,000	9,308	(692)
Refund of Prior Year Expenditures	2,500	400	390	(10)
Transfers Out	(1,027,599)	(1,027,824)	(1,025,824)	2,000
Total Other Financing Sources and (Uses)	(616,599)	(611,424)	(554,102)	57,322
Net Change in Fund Balances	(1,860,774)	(1,613,519)	(428,106)	1,185,413
Fund Balance at Beginning of Year	21,705,810	21,705,810	21,705,810	-
Prior Year Encumbrances Appropriated	313,425	313,425	313,425	-
Fund Balance at End of Year	\$ 20,158,461	\$ 20,405,716	\$ 21,591,129	\$ 1,185,413

See accompanying notes to the basic financial statements

Beachwood City School District
Statement of Fund Net Position
Proprietary Fund
June 30, 2018

	Governmental Activities - Internal Service Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 2,031,317
Total Assets	<u>2,031,317</u>
LIABILITIES	
Current Liabilities:	
Claims Payable	<u>276,700</u>
Total Liabilities	<u>276,700</u>
NET POSITION	
Unrestricted	<u>1,754,617</u>
Total Net Position	<u>\$ 1,754,617</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, 2018

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for Services	\$ 3,440,464
Miscellaneous	318,802
Total Operating Revenues	<u>3,759,266</u>
OPERATING EXPENSES	
Claims	3,618,863
Other	98,293
Total Operating Expenses	<u>3,717,156</u>
Change in Net Position	42,110
Net Position - Beginning of Year	<u>1,712,507</u>
Net Position - End of Year	<u><u>\$ 1,754,617</u></u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2018

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Self Insurance Premiums	\$ 3,759,266
Cash Payments for Claims	<u>(3,832,856)</u>
Net Cash Provided by Operating Activities	<u>(73,590)</u>
 Net Decrease in Cash and Cash Equivalents	 (73,590)
 Cash and Cash Equivalents - Beginning of Year	 <u>2,104,907</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,031,317</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 42,110
Adjustments:	
(Decrease) in Liabilities:	
Claims Payable	<u>(115,700)</u>
Net Cash Provided by Operating Activities	<u>\$ (73,590)</u>

See accompanying notes to the basic financial statements.

Beachwood City School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2018

	<u>Agency Funds</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 1,196,636
Total Assets	<u>\$ 1,196,636</u>
Liabilities	
Undistributed Monies	\$ 1,073,507
Due to Students	123,129
Total Liabilities	<u>\$ 1,196,636</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, 2018

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, 123 non-certificated support personnel and 12 administrators.

The School District is located east of Cleveland, Ohio, in a prosperous suburb consisting of residences and significant office and retail commercial development. The enrollment for the School District during the 2018 fiscal year was 1,498. The School District operates an early childhood center, two elementary schools, a middle school, and a high school.

Reporting Entity

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

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

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

Jointly Governed Organizations:

Ohio Schools’ Council Association
Lake Geauga Computer Association

Public Entity Risk Pool:

Workers’ Compensation Group Retro Program

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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/Other Postemployment Benefits (OPEB)

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

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. An exception to this general rule is that interfund services provided and used are not eliminated in the process of consolidation.

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018

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 8. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District unavailable revenue includes, but is not limited to, delinquent property taxes, intergovernmental grants and other revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

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, 2018

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 2018, investments were limited to FNMA, Federal Farm Credit, FHLB, FHLMC, commercial paper, negotiable certificates of deposits, and STAR Ohio.

During fiscal year 2018, 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 2018, 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 \$50 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Interest on pooled cash and investments is only allocated to governmental, enterprise and fiduciary fund types as required by state statute. Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund from other funds during fiscal year 2018 amounted to \$11,848.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, 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, 2018

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 that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018

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 2018.

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 and Restatement of Net Position

For fiscal year 2018, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 85, Omnibus 2017, Statement No. 86, Certain Debt Extinguishment Issues, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*.

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the School District's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

GASB Statement No. 86, Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this Statement did not have an effect on the financial statements of the School District.

GASB 75 established standards for measuring and recognizing Postemployment benefit liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net Position June 30, 2017	\$ 11,510,732
Adjustments:	
Net OPEB liability	(12,646,179)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>124,468</u>
Restated Net Position (Deficit) June 30, 2017	<u><u>\$ (1,010,979)</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 - Accountability

Fund balances at June 30, 2018, included the following fund deficit balances

	Fund Balance Deficits
<u>Major Fund</u>	
Permanent Improvement	\$ 2,718,524
<u>Nonmajor Funds</u>	
Recreation	175
Consortium	154,999

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

Note 5 - Budgetary Basis of Accounting

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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	\$ (1,400,533)
Net Adjustment for Revenue Accruals	1,127,217
Net Adjustments for Expenditure Accruals	313,837
Funds with Separate Legally Adopted Budgets	(242,871)
Adjustment for Encumbrances	(225,756)
Budget Basis	\$ (428,106)

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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:

<u>Fund Balances</u>	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Nonspendable</i>					
Inventories	\$ 41,199	\$ -	\$ -	\$ 5,408	\$ 46,607
<i>Total Nonspendable</i>	<u>41,199</u>	<u>-</u>	<u>-</u>	<u>5,408</u>	<u>46,607</u>
<i>Restricted for</i>					
Budget Stabilization	142,289	-	-	-	142,289
Food Service Operations	-	-	-	4,979	4,979
Unclaimed Funds	7,416	-	-	-	7,416
Expandable Trust Funds	-	-	-	18,900	18,900
Marketing School Store	-	-	-	10,844	10,844
Pupil Support	-	-	-	19,953	19,953
Local Grants	-	-	-	5,232	5,232
Preschool	-	-	-	963,618	963,618
District Managed Student Activities	-	-	-	78,829	78,829
State Grants	-	-	-	68,192	68,192
Federal Grants	-	-	-	20,206	20,206
Bond Retirement	-	3,320,889	-	-	3,320,889
<i>Total Restricted</i>	<u>149,705</u>	<u>3,320,889</u>	<u>-</u>	<u>1,190,753</u>	<u>4,661,347</u>
<i>Committed to</i>					
Instruction	38,271	-	-	-	38,271
Support Services	169,967	-	-	-	169,967
Operation of Non-Instructional Services	6,422	-	-	-	6,422
<i>Total Committed</i>	<u>214,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,660</u>
<i>Assigned to</i>					
FY 2019 Appropriations	4,360,215	-	-	-	4,360,215
<i>Total Assigned</i>	<u>4,360,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,360,215</u>
<i>Unassigned (Deficit)</i>	<u>22,226,987</u>	<u>-</u>	<u>(2,718,524)</u>	<u>(155,174)</u>	<u>19,353,289</u>
Total Fund Balances	<u><u>\$ 26,992,766</u></u>	<u><u>\$ 3,320,889</u></u>	<u><u>\$ (2,718,524)</u></u>	<u><u>\$ 1,040,987</u></u>	<u><u>\$ 28,636,118</u></u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018

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

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

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

Deposits

At fiscal year end, the carrying amount of the School District's deposits was \$1,767,832. Based on the criteria described in GASB 40, "Deposits and Investment Risk Disclosures", as of June 30, 2018, \$1,349,932 of the District's bank balance of \$2,112,564 was exposed to custodial risk as discussed below, while \$762,632 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

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

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

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. The School District's financial institution had enrolled in OPCS as of June 30, 2018.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018. 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).

As of June 30, 2018, the School District had the following investments and maturities:

	<u>Fair Value/NAV</u>	<u>Maturity</u>
Certificate of Deposit BNY Mellon	\$ 241,286	04/19/21
Certificate of Deposit Capital One	238,809	10/18/22
Certificate of Deposit Fifth Third	244,466	08/26/20
Certificate of Deposit FNC	102,308	06/28/19
Certificate of Deposit Key Bank	238,997	11/30/21
Certificate of Deposit Multi-Bank	247,660	09/18/19
Certificate of Deposit Multi-Bank	245,634	10/22/19
Certificate of Deposit Multi-Bank	243,077	08/31/20
Certificate of Deposit Multi-Bank	243,211	09/15/20
Certificate of Deposit Multi-Bank	241,731	10/13/20
Certificate of Deposit Multi-Bank	243,612	10/20/20
Certificate of Deposit Northeastern	247,958	07/18/18
Certificate of Deposit Northeastern	247,945	07/23/18
Certificate of Deposit Northeastern	246,113	06/20/19
Certificate of Deposit Northeastern	245,743	08/20/19
Certificate of Deposit Northeastern	152,420	08/21/19
Certificate of Deposit Northeastern	245,263	10/07/19
Certificate of Deposit Northeastern	243,179	04/30/20
Certificate of Deposit Northeastern	243,441	05/28/20
Certificate of Deposit Stifel Nicholas	245,488	06/24/19
Commercial Paper Credit Suisse	1,937,735	11/30/18
Commercial Paper Dexia Credit	1,036,929	03/19/19
Commercial Paper JP Morgan	494,550	12/07/18
Commercial Paper JP Morgan	788,960	01/14/19
Commercial Paper NATIXIS	453,264	11/30/18
Commercial Paper NATIXIS	890,226	12/07/18
Commercial Paper Northeastern	243,197	10/22/18
Commercial Paper Tokyo	404,840	11/30/18

(continued)

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	Fair Value/NAV	Maturity
Federal Farm Credit	\$ 638,752	04/13/21
Federal Farm Credit	1,212,405	12/06/21
Federal Home Loan Bank	125,956	09/26/22
Federal Home Loan Bank	968,890	09/26/22
Federal Home Loan Mortgage	493,695	05/24/19
Federal Home Loan Mortgage	246,543	08/28/19
Federal Home Loan Mortgage	736,829	10/18/19
Federal Home Loan Mortgage	342,899	05/26/20
Federal Home Loan Mortgage	482,695	09/08/20
Federal Home Loan Mortgage	1,087,650	10/19/20
Federal Home Loan Mortgage	484,570	11/23/20
Federal Home Loan Mortgage	1,454,055	08/27/21
Federal Home Loan Mortgage	242,440	09/29/21
Federal Home Loan Mortgage	963,070	09/22/22
Federal Home Loan Mortgage	230,822	09/29/22
Federal Home Loan Mortgage	635,552	10/26/22
Federal National Mortgage	494,225	07/11/19
Federal National Mortgage	491,825	07/26/19
Federal National Mortgage	488,695	07/28/20
Federal National Mortgage	1,094,816	10/28/20
STAR Ohio	7,504,818	
	<u>\$ 31,319,244</u>	

Interest Rate Risk

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

Credit Risk

The Federal Home Loan Mortgage, Federal Home Loan Bank, and Federal National Mortgage Assoc. carry a rating of AA+ by Standard & Poor's, Federal Farm Credit carry a rating of AA+ by Standard & Poor's and STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Commercial Paper must be rated Aaa by Moody's and AAAM by Standard & Poor's. The negotiable certificates of deposit were not rated. The School District has no investment policy that would further limit its investment choices.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 \$4,648,341 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 23.6%, Federal Home Loan Bank represents 3.5%, Federal National Mortgage 8.2%, Federal Farm Credits 5.9%, Commercial Paper 20.0%, negotiable certificates of deposit represent 14.8% and STAR Ohio representing 24.0% of the School District's total investments.

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2018 represents collections of calendar year 2017 taxes.

Real property taxes received in calendar year 2017 were levied after April 1, 2017, on the assessed value listed as of January 1, 2018, 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 2017 represents collections of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 become a lien December 31, 2016, were levied after April 1, 2017 and are collected in 2018 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, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018 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, 2018 was \$2,170,651 for the General Fund, \$347,688 in the Bond Retirement Fund, and \$47,198 in the Permanent Improvement Fund. The 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 2018 taxes were collected are:

	2017 Second- Half Collections		2018 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$ 351,804,700	48.47%	\$ 353,740,490	48.63%
Industrial/Commercial	360,496,270	49.66%	359,307,780	49.39%
Public Utility	13,566,640	1.87%	14,404,130	1.98%
Total Assessed Value	\$ 725,867,610	100.00%	\$ 727,452,400	100%
 Tax rate per \$1,000 of Assessed valuation	\$ 86.40		\$ 86.20	

Note 9 - Receivables

Receivables at June 30, 2018, 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.

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Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance 6/30/2017	Additions	Deletions	Balance 6/30/2018
Governmental Activities				
Capital Assets, not being depreciated:				
Land	\$ 978,708	\$ -	\$ -	\$ 978,708
Construction in Progress	4,137,665	127,407	(3,885,907)	379,165
Total Capital Assets, not being depreciated	<u>5,116,373</u>	<u>127,407</u>	<u>(3,885,907)</u>	<u>1,357,873</u>
Capital Assets, being depreciated:				
Land Improvements	3,712,586	234,150	-	3,946,736
Buildings and Buildings Improvements	84,326,911	4,251,224	-	88,578,135
Vehicles	2,107,585	138,161	(105,594)	2,140,152
Equipment	8,078,836	534,947	(157,979)	8,455,804
Total Capital Assets, being depreciated	<u>98,225,918</u>	<u>5,158,482</u>	<u>(263,573)</u>	<u>103,120,827</u>
Less Accumulated Depreciation:				
Land Improvements	(2,037,294)	(141,371)	-	(2,178,665)
Buildings and Buildings Improvements	(25,836,623)	(2,071,740)	-	(27,908,363)
Vehicles	(1,371,196)	(139,549)	105,594	(1,405,151)
Equipment	(7,028,061)	(586,984)	147,996	(7,467,049)
Total Accumulated Depreciation	<u>(36,273,174)</u>	<u>(2,939,644)</u>	<u>253,590</u>	<u>(38,959,228)</u>
Total Capital Assets being depreciated, Net	<u>61,952,744</u>	<u>2,218,838</u>	<u>(9,983)</u>	<u>64,161,599</u>
Governmental Activities Capital Assets, Net	<u>\$ 67,069,117</u>	<u>\$ 2,346,245</u>	<u>\$ (3,895,890)</u>	<u>\$ 65,519,472</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 1,526,417
Special	60,699
Vocational	48,211
Recreation	1,108
Support Services:	
Pupil	194,428
Instructional Staff	247,316
Board of Education	20,914
Administration	38,046
Fiscal	4,655
Business	13,372
Operation and Maintenance of Plant	208,743
Pupil Transportation	175,855
Central	98,293
Operation of Non-Instructional Services:	
Food Services	97,941
Community Services	70,878
Extracurricular Activities	132,768
Total Depreciation Expense	<u>\$ 2,939,644</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 11 – Inter-fund Transactions

As of June 30, 2018, on the fund financial statements, the Consortium fund, which is a Nonmajor governmental fund, owed the General Fund \$1,965,336. 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, 2018, the General Fund transferred \$250,000 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 2018, 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 \$100,000,000 respectively. The deductible varies from \$1,000 to \$5,000.

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

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

B. Workers' Compensation

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

C. Self-Insurance Program

The self-insurance program for dental of the School District employees and their covered dependents has been administered by Medical Mutual since September 1, 2006. Self-insured medical, prescription drug and dental claims are administered by Medical Mutual. Self-insured vision claims are administered by Vision Service Plan (VSP). The district only began to self-insure medical claims commencing January 1, 2015. Under the program, the School District is obligated for claim payments. During fiscal year 2018, total claims expense of \$3,618,863 was recognized, which represents actual claims processed and paid as of June 30, 2018. 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>
2017	\$ 464,500	\$ 3,350,726	\$ 3,422,826	\$ 392,400
2018	\$ 392,400	\$ 3,618,863	\$ 4,011,263	\$ 276,700

Note 13 - Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$833,671 for fiscal year 2018. Of this amount \$37,362 is reported as an intergovernmental payable.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017 the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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, 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,279,458 for fiscal year 2018. Of this amount \$364,689 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, 2017, 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	0.18506220%	0.13652209%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.18921190%</u>	<u>0.13660450%</u>	
Change in Proportionate Share	<u>0.0041497%</u>	<u>0.0000824%</u>	
Proportionate Share of the Net Pension Liability	\$ 11,304,993	\$ 32,450,692	\$ 43,755,685
Pension Expense	\$ (629,998)	\$ (12,750,817)	\$ (13,380,815)

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 486,529	\$ 1,253,094	\$ 1,739,623
Changes of assumptions	584,589	7,097,323	7,681,912
Changes in proportion and differences between School District contributions and proportionate share of contributions	163,166	63,377	226,543
School District contributions subsequent to the measurement date	833,671	2,279,458	3,113,129
Total Deferred Outflows of Resources	<u>\$ 2,067,955</u>	<u>\$ 10,693,252</u>	<u>\$ 12,761,207</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$261,540	\$261,540
Net difference between projected and actual earnings on pension plan investments	53,663	1,070,911	1,124,574
Changes in proportion and differences between School District contributions and proportionate share of contributions	340,777	746,696	1,087,473
Total Deferred Inflows of Resources	<u>\$ 394,440</u>	<u>\$ 2,079,147</u>	<u>\$ 2,473,587</u>

\$3,113,129 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$230,300	\$1,239,541	\$1,469,841
2020	658,148	2,696,343	3,354,491
2021	214,938	1,828,104	2,043,042
2022	(263,542)	570,659	307,117
Total	<u>\$839,844</u>	<u>\$6,334,647</u>	<u>\$7,174,491</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

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

Prior to 2017, as assumption of 3 percent was used for COA or Ad Hoc COLA

The mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 130% 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:

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$15,688,392	\$11,304,993	\$7,633,002

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

	July 1, 2017
Inflation	2.50 percent
Projected salary increases	2.50 percent at age 65 to 12.50 percent at age 20
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	July 1, 2016
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
Payroll Increases	3.5 percent
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.

For July 1, 2017, actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, 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 no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. 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, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

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

	<u>1% Decrease (6.45%)</u>	<u>Current Discount Rate (7.45%)</u>	<u>1% Increase (8.45%)</u>
School District's proportionate share of the net pension liability	\$46,516,962	\$32,450,692	\$20,601,967

Note 14 – Defined Benefit OPEB Plans

Net OPEB Liability

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

The net OPEB liability represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability 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 these estimates annually.

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the School District's surcharge obligation was \$98,072.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$128,949 for fiscal year 2018. Of this amount \$99,940 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability			
Prior Measurement Date	0.18751750%	0.13652209%	
Proportion of the Net OPEB Liability			
Current Measurement Date	<u>0.19144780%</u>	<u>0.13660450%</u>	
Change in Proportionate Share	<u>0.00393030%</u>	<u>0.00008241%</u>	
Proportionate Share of the Net			
OPEB Liability	\$5,137,956	\$5,329,803	\$10,467,759
OPEB Expense	\$336,382	(\$1,625,739)	(\$1,289,357)

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 307,669	\$ 307,669
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	82,234	3,777	86,011
School District contributions subsequent to the measurement date	<u>128,949</u>	<u>0</u>	<u>128,949</u>
Total Deferred Outflows of Resources	<u>\$ 211,183</u>	<u>\$ 311,446</u>	<u>\$ 522,629</u>
Deferred Inflows of Resources			
Changes of assumptions	\$ 487,566	\$ 429,333	\$ 916,899
Net difference between projected and actual earnings on OPEB plan investments	<u>13,568</u>	<u>227,808</u>	<u>241,376</u>
Total Deferred Inflows of Resources	<u>\$ 501,134</u>	<u>\$ 657,141</u>	<u>\$ 1,158,275</u>

\$128,949 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$150,251)	(\$76,600)	(\$226,851)
2020	(150,251)	(76,600)	(226,851)
2021	(115,006)	(76,600)	(191,606)
2022	(3,392)	(76,600)	(79,992)
2023	0	(19,648)	(19,648)
Thereafter	<u>0</u>	<u>(19,647)</u>	<u>(19,647)</u>
Total	<u>(\$418,900)</u>	<u>(\$345,695)</u>	<u>(\$764,595)</u>

Actuarial Assumptions - SERS

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
School District's proportionate share of the net OPEB liability	\$6,204,736	\$5,137,956	\$4,292,794

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
School District's proportionate share of the net OPEB liability	\$4,169,066	\$5,137,956	\$6,420,298

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6 to 11 percent initial, 4.5 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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

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

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

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's proportionate share of the net OPEB liability	\$7,155,176	\$5,329,803	\$3,887,163
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$3,702,919	\$5,329,803	\$7,470,974

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 16 – Long-Term Obligations

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

	Restated Principal Outstanding 6/30/2017	Additions	Reduction	Principal Outstanding 6/30/2018	Amounts Due in One Year
Governmental Activities					
Long-Term Notes Payable					
2010 QSCB Tax Anticipation Notes 4.75%	\$ 1,785,000	\$ -	\$ 550,000	\$ 1,235,000	\$ 550,000
2016 COPS 2.47%	4,565,000	-	370,000	4,195,000	375,000
2016 COPS Premium-	174,414	-	17,441	156,973	-
Total Long-Term Notes Payable	<u>6,524,414</u>	<u>-</u>	<u>937,441</u>	<u>5,586,973</u>	<u>925,000</u>
General Obligation Bonds					
2007 Advanced Refunding 4.0% - 4.25%	129,997	-	129,997	-	-
2010 School Improvement 1.25-3.0%	1,075,000	-	1,075,000	-	-
2010 School Improvement Premium	45,656	-	45,656	-	-
2010 QSCB Bonds 5.125%	11,260,000	-	120,000	11,140,000	1,235,000
2013 Refunding .45-3.05%	4,840,000	-	135,000	4,705,000	1,155,000
2014 Refunding Tax Exempt 3-3.25%	11,149,966	-	-	11,149,966	-
Total General Obligation Bonds	<u>28,500,619</u>	<u>-</u>	<u>1,505,653</u>	<u>26,994,966</u>	<u>2,390,000</u>
Net Pension Liability:					
STRS	45,698,059	-	13,247,367	32,450,692	-
SERS	13,544,846	-	2,239,853	11,304,993	-
Total Net Pension Liability	<u>59,242,905</u>	<u>-</u>	<u>15,487,220</u>	<u>43,755,685</u>	<u>-</u>
Net OPEB Liability:					
STRS	7,301,237	-	1,971,434	5,329,803	-
SERS	5,220,474	-	82,518	5,137,956	-
Total Net OPEB Liability	<u>12,521,711</u>	<u>-</u>	<u>2,053,952</u>	<u>10,467,759</u>	<u>-</u>
Capital Lease	59,169	-	59,169	-	-
Compensated Absences Payable	2,573,573	521,074	149,100	2,945,547	223,646
Long-Term Liabilities	<u>2,632,742</u>	<u>521,074</u>	<u>208,269</u>	<u>2,945,547</u>	<u>223,646</u>
Total Long-Term Liabilities	<u>\$ 109,422,391</u>	<u>\$ 521,074</u>	<u>\$ 20,192,535</u>	<u>\$ 89,750,930</u>	<u>\$ 3,538,646</u>

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

Certificates of Participation (CoPS) On March 16, 2016 the School District issued \$4,800,000 certificates of participation in the form of bank qualified tax exempt debt with an average interest rate of 2.47% for a period of 12 years. The School District issued CoPS to finance the main stadium project opened in the Fall of 2017.

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

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

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

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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

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

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

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

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 and was paid in full as of June 30, 2018.

The School District's overall voted debt margin was \$41,796,639 with an un-voted debt margin of \$727,452 at June 30, 2018.

Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2018, were as follows:

Fiscal Year Ending	Long-Term Notes Payable/COPs		General Obligation Bonds		Total	
	Principal	Interest *	Principal	Interest *	Principal	Interest
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	410,000	73,350	1,989,966	1,293,071	2,399,966	1,366,421
2024-2028	2,240,000	172,050	11,110,000	3,149,775	13,350,000	3,321,825
2029-2033	-	-	4,200,000	213,806	4,200,000	213,806
2034-2035	-	-	50,000	1,750	50,000	1,750
Total	<u>\$ 5,430,000</u>	<u>\$ 1,042,613</u>	<u>\$ 26,994,966</u>	<u>\$ 8,563,000</u>	<u>\$ 32,424,966</u>	<u>\$ 9,605,613</u>

* \$1,063,520 direct payments from federal government, less 6.8% due to sequestration.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 17 - Set-Asides

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

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

	Capital Improvements	Budget Stabilization
Set-Aside Balance as of June 30, 2017	\$ -	\$ 134,873
Current Year Set-Aside Requirements	261,788	-
Qualifying Disbursements	(823,204)	-
Total	(561,416)	134,873
Set-Aside Balance Carried Forward to Future Fiscal Years	(561,416)	-
Set-Aside Balance as of June 30, 2018	\$ (561,416)	\$ 134,873

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

Note 18 – Jointly Governed Organizations

Ohio Schools' Council Association - The Ohio Schools' Council Association (Council) is a jointly governed organization among 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 2018, the School District paid \$86,550 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 '18. The OSC gas program bills each district a level billing amount each month (aka budget billing) for consumption based on last year's usage with an ending year balance calculated at the end of the fiscal year. If there is a positive balance the district can request a refund or use the credit toward future invoices until the amount is used up. The utility invoices the district for transportation.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

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 \$111,145 to LGCA during fiscal year 2018.

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

Note 19 - Contingencies

A. Grants

The School District receives financial assistance from numerous federal, state, and local agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2018.

B. Litigation

The School District has been named as a defendant in several court cases through the period ended June 30, 2018. Management does not believe that the ultimate resolution of those cases will have a material impact on the financial statements of the School District and further believes that the School District has adequate insurance coverage to protect itself against any material loss.

C. Full Time Equivalent (FTE)

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2018 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Beachwood City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 20 - Miscellaneous Revenue

During Fiscal Year 2018, 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 2018.

*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 Five Fiscal Years (1)

	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.1892119%	0.1850622%	0.1850622%	0.1893345%	0.203489%
School District's Proportionate Share of the Net Pension Liability	\$11,304,993	\$13,544,846	\$10,803,609	\$10,298,462	\$12,100,838
School District's Covered Payroll	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	185.52%	242.04%	182.88%	192.23%	229.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.13660450%	0.13652209%	0.14090955%	0.14048700%	0.14048700%
School District's Proportionate Share of the Net Pension Liability	\$ 32,450,692	\$ 45,698,059	\$ 38,943,279	\$ 34,171,300	\$ 40,704,629
School District's Covered Payroll	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	214.93%	314.98%	254.60%	218.83%	263.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

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

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 833,671	\$ 853,115	\$ 783,465	\$ 778,586	\$ 742,520	\$ 728,417	\$ 765,115	\$ 811,377	\$ 655,527	\$ 535,319
Contributions in Relation to the Contractually Required Contribution	<u>(833,671)</u>	<u>(853,115)</u>	<u>(783,465)</u>	<u>(778,586)</u>	<u>(742,520)</u>	<u>(728,417)</u>	<u>(765,115)</u>	<u>(811,377)</u>	<u>(655,527)</u>	<u>(535,319)</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	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869	\$ 4,841,411	\$ 5,440,234
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually Required Contribution	\$ 2,279,458	\$ 2,113,721	\$ 2,031,181	\$ 2,141,448	\$ 2,030,014	\$ 2,011,088	\$ 1,900,949	\$ 1,883,505	\$ 1,834,757	\$ 1,855,764
Contributions in Relation to the Contractually Required Contribution	<u>(2,279,458)</u>	<u>(2,113,721)</u>	<u>(2,031,181)</u>	<u>(2,141,448)</u>	<u>(2,030,014)</u>	<u>(2,011,088)</u>	<u>(1,900,949)</u>	<u>(1,883,505)</u>	<u>(1,834,757)</u>	<u>(1,855,764)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District Covered Payroll	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500	\$ 14,113,515	\$ 14,275,108
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.1914478%	0.1875175%
School District's Proportionate Share of the Net OPEB Liability	\$ 5,137,956	\$ 5,344,942
School District's Covered Payroll	\$ 6,093,679	\$ 5,596,179
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	84.32%	95.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

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

	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net OPEB Liability	0.13660450%	0.13652209%
School District's Proportionate Share of the Net OPEB Liability	\$ 5,329,803	\$ 7,301,237
School District's Covered Payroll	\$ 15,098,007	\$ 14,508,436
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.30%	50.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

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

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

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution (1)	\$ 128,949	\$ 124,468	\$ 94,787	\$ 144,134	\$ 108,325	\$ 98,837	\$ 125,157	\$ 189,389	\$ 133,788	\$ 381,555
Contributions in Relation to the Contractually Required Contribution	<u>(128,949)</u>	<u>(124,468)</u>	<u>(94,787)</u>	<u>(144,134)</u>	<u>(108,325)</u>	<u>(98,837)</u>	<u>(125,157)</u>	<u>(189,389)</u>	<u>(133,788)</u>	<u>(381,555)</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	\$ 6,175,341	\$ 6,093,679	\$ 5,596,179	\$ 5,907,329	\$ 5,357,287	\$ 5,263,129	\$ 5,688,587	\$ 6,454,869	\$ 4,841,411	\$ 5,440,234
OPEB Contributions as a Percentage of Covered Payroll (1)	2.09%	2.04%	1.69%	2.44%	2.02%	1.88%	2.20%	2.93%	2.76%	7.01%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ 156,155	\$ 154,699	\$ 146,227	\$ 144,885	\$ 141,135	\$ 142,751
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	(156,155)	(154,699)	(146,227)	(144,885)	(141,135)	(142,751)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District Covered Payroll	\$ 16,281,843	\$ 15,098,007	\$ 14,508,436	\$ 15,296,057	\$ 15,615,492	\$ 15,469,908	\$ 14,622,685	\$ 14,488,500	\$ 14,113,515	\$ 14,275,108
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Net Pension Liability

Changes of benefit terms- SERS

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

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

Changes in assumptions- SERS

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

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2018.

Changes in assumptions – STRS

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

Beachwood City School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

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

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

Also, for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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.

Beachwood City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Equity in Pooled Cash and Cash Equivalents	\$ 3,449,768	\$ 3,449,768
Materials and Supplies Inventory	5,408	5,408
Accounts Receivable	7,839	7,839
Intergovernmental Receivable	33,079	33,079
Total Assets	\$ 3,496,094	\$ 3,496,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 21,465	\$ 21,465
Accrued Wages and Benefits	351,099	351,099
Intergovernmental Payable	80,143	80,143
Interfund Payable	1,965,336	1,965,336
Total Liabilities	2,418,043	2,418,043
Deferred Inflows of Resources:		
Unavailable Revenues - Grants	33,079	33,079
Unavailable Revenues - Other	3,985	3,985
Total Deferred Inflows of Resources	37,064	37,064
Fund Balances:		
Nonspendable	5,408	5,408
Restricted	1,190,753	1,190,753
Unassigned (Deficit)	(155,174)	(155,174)
Total Fund Balances	1,040,987	1,040,987
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,496,094	\$ 3,496,094

Beachwood City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES		
Intergovernmental	\$ 1,900,525	\$ 1,900,525
Interest	3,118	3,118
Tuition and Fees	1,707,421	1,707,421
Extracurricular Activities	56,423	56,423
Customer Sales and Services	397,932	397,932
Contributions and Donations	16,165	16,165
All Other Revenues	1,264	1,264
Total Revenues	4,082,848	4,082,848
EXPENDITURES		
Current:		
Instruction:		
Regular	68,939	68,939
Special	590,420	590,420
Vocational Instruction	684,854	684,854
Adult/Continuing Instruction	77,196	77,196
Supporting Services:		
Pupils	712,787	712,787
Instructional Staff	10,945	10,945
Administration	7,612	7,612
Operation and Maintenance of Plant	54,473	54,473
Operation of Non-Instructional Services:		
Food Service Operations	439,577	439,577
Community Services	1,409,846	1,409,846
Extracurricular Activities	147,249	147,249
Capital Outlay	65,793	65,793
Total Expenditures	4,269,691	4,269,691
Excess of Revenues Over (Under) Expenditures	(186,843)	(186,843)
OTHER FINANCING SOURCES		
Transfers In	250,000	250,000
Total Other Financing Sources	250,000	250,000
Net Change in Fund Balances	63,157	63,157
Fund Balances - Beginning of Year	977,830	977,830
Fund Balances - End of Year	\$ 1,040,987	\$ 1,040,987

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Food Service	Special Trust	Uniform Supplies	Marketing School Store
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 16,736	\$ 18,900	\$ -	\$ 10,844
Materials and Supplies Inventory	5,408	-	-	-
Accounts Receivable	1,374	-	-	-
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 23,518	\$ 18,900	\$ -	\$ 10,844
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 73	\$ -	\$ -	\$ -
Accrued Wages and Benefits	-	-	-	-
Intergovernmental Payable	13,058	-	-	-
Interfund Payable	-	-	-	-
Total Liabilities	13,131	-	-	-
 Deferred Inflows of Resources:				
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Other	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
 Fund Balances:				
Nonspendable	5,408	-	-	-
Restricted	4,979	18,900	-	10,844
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	10,387	18,900	-	10,844
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 23,518	\$ 18,900	\$ -	\$ 10,844

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

<u>Recreation</u>	<u>Consortium</u>	<u>Pupil Support</u>	<u>Miscellaneous Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>
\$ 5,718	\$ 2,143,291	\$ 19,953	\$ 5,232	\$ 1,038,771	\$ 78,444
-	-	-	-	-	-
-	3,567	-	-	2,513	385
-	-	-	-	-	-
<u>\$ 5,718</u>	<u>\$ 2,146,858</u>	<u>\$ 19,953</u>	<u>\$ 5,232</u>	<u>\$ 1,041,284</u>	<u>\$ 78,829</u>
\$ -	\$ 248	\$ -	\$ -	\$ 2,263	\$ -
-	295,799	-	-	51,253	-
5,893	38,742	-	-	21,897	-
-	1,965,336	-	-	-	-
<u>5,893</u>	<u>2,300,125</u>	<u>-</u>	<u>-</u>	<u>75,413</u>	<u>-</u>
-	-	-	-	-	-
-	1,732	-	-	2,253	-
<u>-</u>	<u>1,732</u>	<u>-</u>	<u>-</u>	<u>2,253</u>	<u>-</u>
-	-	-	-	-	-
-	-	19,953	5,232	963,618	78,829
(175)	(154,999)	-	-	-	-
<u>(175)</u>	<u>(154,999)</u>	<u>19,953</u>	<u>5,232</u>	<u>963,618</u>	<u>78,829</u>
<u>\$ 5,718</u>	<u>\$ 2,146,858</u>	<u>\$ 19,953</u>	<u>\$ 5,232</u>	<u>\$ 1,041,284</u>	<u>\$ 78,829</u>

(Continued)

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	Auxiliary Services	One Net	IDEA B
ASSETS			
Equity in Pooled Cash and Cash Equivalents	\$ 88,073	\$ 3,600	\$ 19,949
Materials and Supplies Inventory	-	-	-
Accounts Receivable	-	-	-
Intergovernmental Receivable	-	-	33,079
Total Assets	\$ 88,073	\$ 3,600	\$ 53,028
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 18,881	\$ -	\$ -
Accrued Wages and Benefits	4,047	-	-
Intergovernmental Payable	553	-	-
Interfund Payable	-	-	-
Total Liabilities	23,481	-	-
Deferred Inflows of Resources:			
Unavailable Revenues - Grants	-	-	33,079
Unavailable Revenues - Other	-	-	-
Total Deferred Inflows of Resources	-	-	33,079
Fund Balances:			
Nonspendable	-	-	-
Restricted	64,592	3,600	19,949
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	64,592	3,600	19,949
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 88,073	\$ 3,600	\$ 53,028

Beachwood City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

Title III - Limited English Proficiency	Title I	Tital II-A	Total Nonmajor Special Revenue Funds
\$ 255	\$ 1	\$ 1	\$ 3,449,768
-	-	-	5,408
-	-	-	7,839
-	-	-	33,079
<u>\$ 255</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3,496,094</u>
\$ -	\$ -	\$ -	\$ 21,465
-	-	-	351,099
-	-	-	80,143
-	-	-	1,965,336
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,418,043</u>
-	-	-	33,079
-	-	-	3,985
<u>-</u>	<u>-</u>	<u>-</u>	<u>37,064</u>
-	-	-	5,408
255	1	1	1,190,753
-	-	-	(155,174)
<u>255</u>	<u>1</u>	<u>1</u>	<u>1,040,987</u>
<u>\$ 255</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 3,496,094</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, 2018

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform Supplies</u>	<u>Marketing School Store</u>
REVENUES				
Intergovernmental	\$ 62,629	\$ -	\$ -	\$ -
Interest	378	47	-	-
Tuition and Fees	-	-	-	-
Extracurricular Activities	-	-	-	19,378
Customer Sales and Services	373,885	-	-	-
Contributions and Donations	-	-	-	-
All Other Revenues	1,264	-	-	-
Total Revenues	<u>438,156</u>	<u>47</u>	<u>-</u>	<u>19,378</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	-	-	296	-
Special	-	-	-	-
Vocational Instruction	-	-	-	20,310
Adult/Continuing Instruction	-	-	-	-
Supporting Services:				
Pupils	-	-	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Operation of Non-Instructional Services:				
Food Service Operations	439,577	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>439,577</u>	<u>-</u>	<u>296</u>	<u>20,310</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,421)</u>	<u>47</u>	<u>(296)</u>	<u>(932)</u>
OTHER FINANCING SOURCES				
Transfers In	50,000	-	-	-
Total Other Financing Sources	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	48,579	47	(296)	(932)
Fund Balances (Deficit) - Beginning of Year	<u>(38,192)</u>	<u>18,853</u>	<u>296</u>	<u>11,776</u>
Fund Balances (Deficit) - End of Year	<u>\$ 10,387</u>	<u>\$ 18,900</u>	<u>\$ -</u>	<u>\$ 10,844</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, 2018

<u>Recreation</u>	<u>Consortium</u>	<u>Pupil Support</u>	<u>Miscellaneous Local Grants</u>	<u>Preschool</u>	<u>District Managed Student Activities</u>
\$ -	\$ 601,309	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	933,247	-	-	774,174	-
-	-	-	-	-	37,045
4,995	17,057	437	1,558	-	-
-	-	16,165	-	-	-
-	-	-	-	-	-
<u>4,995</u>	<u>1,551,613</u>	<u>16,602</u>	<u>1,558</u>	<u>774,174</u>	<u>37,045</u>
-	-	22,106	1,893	-	-
-	306,761	-	-	-	-
-	664,544	-	-	-	-
77,196	-	-	-	-	-
-	603,487	-	-	-	-
-	-	-	-	-	-
-	7,612	-	-	-	-
-	54,473	-	-	-	-
-	-	-	-	-	-
-	-	-	-	653,421	-
-	-	-	-	-	147,249
-	6,569	-	-	-	-
<u>77,196</u>	<u>1,643,446</u>	<u>22,106</u>	<u>1,893</u>	<u>653,421</u>	<u>147,249</u>
<u>(72,201)</u>	<u>(91,833)</u>	<u>(5,504)</u>	<u>(335)</u>	<u>120,753</u>	<u>(110,204)</u>
<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
7,799	(91,833)	(5,504)	(335)	120,753	9,796
<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>\$ (175)</u>	<u>\$ (154,999)</u>	<u>\$ 19,953</u>	<u>\$ 5,232</u>	<u>\$ 963,618</u>	<u>\$ 78,829</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, 2018

	Auxiliary Services	One Net	IDEA B
REVENUES			
Intergovernmental	\$ 742,249	\$ 7,200	\$ 306,015
Interest	2,693	-	-
Tuition and Fees	-	-	-
Extracurricular Activities	-	-	-
Customer Sales and Services	-	-	-
Contributions and Donations	-	-	-
All Other Revenues	-	-	-
Total Revenues	<u>744,942</u>	<u>7,200</u>	<u>306,015</u>
EXPENDITURES			
Current:			
Instruction:			
Regular	-	-	44,644
Special	-	-	98,429
Vocational Instruction	-	-	-
Adult/Continuing Instruction	-	-	-
Supporting Services:			
Pupils	-	-	109,300
Instructional Staff	-	10,800	-
Administration	-	-	-
Operation and Maintenance of Plant Services	-	-	-
Operation of Non-Instructional Services:			
Food Service Operations	-	-	-
Community Services	715,855	-	40,159
Extracurricular Activities	-	-	-
Capital Outlay	59,224	-	-
Total Expenditures	<u>775,079</u>	<u>10,800</u>	<u>292,532</u>
Excess of Revenues Over (Under) Expenditures	<u>(30,137)</u>	<u>(3,600)</u>	<u>13,483</u>
OTHER FINANCING SOURCES			
Transfers In	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(30,137)	(3,600)	13,483
Fund Balances (Deficit) - Beginning of Year	94,729	7,200	6,466
Fund Balances (Deficit) - End of Year	<u>\$ 64,592</u>	<u>\$ 3,600</u>	<u>\$ 19,949</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, 2018

Title III	Title I	Preschool Handicapped Grant	Tital II-A	Total Nonmajor Special Revenue Funds
\$ 19,589	\$ 129,554	\$ 4,976	\$ 27,004	1,900,525
-	-	-	-	3,118
-	-	-	-	1,707,421
-	-	-	-	56,423
-	-	-	-	397,932
-	-	-	-	16,165
-	-	-	-	1,264
<u>19,589</u>	<u>129,554</u>	<u>4,976</u>	<u>27,004</u>	<u>4,082,848</u>
-	-	-	-	68,939
19,189	134,062	4,976	27,003	590,420
-	-	-	-	684,854
-	-	-	-	77,196
-	-	-	-	712,787
145	-	-	-	10,945
-	-	-	-	7,612
-	-	-	-	54,473
-	-	-	-	439,577
-	-	-	411	1,409,846
-	-	-	-	147,249
-	-	-	-	65,793
<u>19,334</u>	<u>134,062</u>	<u>4,976</u>	<u>27,414</u>	<u>4,269,691</u>
<u>255</u>	<u>(4,508)</u>	<u>-</u>	<u>(410)</u>	<u>(186,843)</u>
-	-	-	-	250,000
-	-	-	-	250,000
255	(4,508)	-	(410)	63,157
-	4,509	-	411	977,830
<u>\$ 255</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,040,987</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, 2018

	Balance 6/30/2017	Additions	Reductions	Balance 6/30/2018
<u>Retirement</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 806,311	\$ 2,563,530	\$ 2,296,334	\$ 1,073,507
Liabilities				
Undistributed Monies	\$ 806,311	\$ 2,563,530	\$ 2,296,334	\$ 1,073,507
Total Liabilities	\$ 806,311	\$ 2,563,530	\$ 2,296,334	\$ 1,073,507
<u>Student Activities</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 126,301	\$ 108,815	\$ 111,987	\$ 123,129
Total Assets	\$ 126,301	\$ 108,815	\$ 111,987	\$ 123,129
Liabilities				
Due to Students	\$ 126,301	\$ 108,815	\$ 111,987	\$ 123,129
Total Liabilities	\$ 126,301	\$ 108,815	\$ 111,987	\$ 123,129
<u>Total Agency Funds</u>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 932,612	\$ 2,672,345	\$ 2,408,321	\$ 1,196,636
Total Assets	\$ 932,612	\$ 2,672,345	\$ 2,408,321	\$ 1,196,636
Liabilities				
Due to Students	\$ 806,311	\$ 2,563,530	\$ 2,296,334	\$ 123,129
Undistributed Monies	126,301	108,815	111,987	1,073,507
Total Liabilities	\$ 932,612	\$ 2,672,345	\$ 2,408,321	\$ 1,196,636

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property and Other Local Taxes	\$ 26,200,855	\$ 26,690,975	\$ 26,775,530	\$ 84,555
Intergovernmental	4,677,277	4,291,613	4,950,815	659,202
Interest	400,000	475,000	534,758	59,758
Tuition and Fees	297,981	297,981	443,801	145,820
Rent	346,744	371,000	409,509	38,509
Contributions and Donations	15,600	15,600	8,023	(7,577)
Customer Sales and Services	164,800	134,820	144,602	9,782
Miscellaneous	1,877,818	1,946,941	1,948,554	1,613
Total Revenues	33,981,075	34,223,930	35,215,592	991,662
EXPENDITURES:				
Current:				
Instruction:				
Regular				
Salaries	8,778,757	8,936,257	8,935,949	308
Fringe Benefits	2,677,147	2,679,647	2,679,543	104
Purchased Services	211,535	222,635	191,673	30,962
Materials and Supplies	358,604	299,104	294,585	4,519
Other	148,812	150,578	145,778	4,800
Capital Outlay	192,340	249,190	249,049	141
Total - Regular	12,367,195	12,537,411	12,496,577	40,834
Special				
Salaries	2,886,144	3,193,144	3,191,909	1,235
Fringe Benefits	1,072,751	1,094,751	1,094,547	204
Purchased Services	1,581,750	2,289,750	2,289,193	557
Materials and Supplies	40,671	35,455	34,110	1,345
Capital Outlay	16,800	5,020	2,902	2,118
Total - Special	5,598,116	6,618,120	6,612,661	5,459
Vocational				
Purchased Services	460,000	377,000	376,008	992
Other	25,339	25,939	23,269	2,670
Total - Vocational	485,339	402,939	399,277	3,662
Student Intervention Services				
Salaries	2,989	2,989	2,483	506
Fringe Benefits	474	474	408	66
Total - Student Intervention Services	3,463	3,463	2,891	572
Other				
Salaries	44,592	57,592	56,486	1,106
Fringe Benefits	63,229	65,229	42,102	23,127
Purchased Services	194,400	95,125	94,268	857
Total - Other	302,221	217,946	192,856	25,090
Total - Instruction:	18,756,334	19,779,879	19,704,262	75,617

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Support Services:				
Pupils				
Salaries	1,326,295	1,319,795	1,304,806	14,989
Fringe Benefits	436,690	426,190	424,748	1,442
Purchased Services	160,250	126,450	126,402	48
Materials and Supplies	22,992	10,192	9,743	449
Other	1,119	1,119	537	582
Capital Outlay	17,973	2,973	2,111	862
Total - Pupils	<u>1,965,319</u>	<u>1,886,719</u>	<u>1,868,347</u>	<u>18,372</u>
Instructional Staff				
Salaries	1,103,009	953,009	952,252	757
Fringe Benefits	358,675	310,675	309,067	1,608
Purchased Services	284,760	255,548	254,965	583
Materials and Supplies	103,645	117,889	117,835	54
Other	2,841	341	248	93
Capital Outlay	97,958	42,046	29,019	13,027
Total - Instructional Staff	<u>1,950,888</u>	<u>1,679,508</u>	<u>1,663,386</u>	<u>16,122</u>
Board of Education				
Salaries	17,316	16,316	16,250	66
Fringe Benefits	3,129	3,429	3,388	41
Purchased Services	416,214	470,914	469,805	1,109
Materials and Supplies	2,833	1,333	1,116	217
Other	32,916	19,916	19,518	398
Capital Outlay	3,400	3,400	3,387	13
Total - Board of Education	<u>475,808</u>	<u>515,308</u>	<u>513,464</u>	<u>1,844</u>
Administration				
Salaries	1,519,458	1,466,458	1,465,702	756
Fringe Benefits	743,499	729,699	728,788	911
Purchased Services	133,570	94,070	93,139	931
Materials and Supplies	24,619	19,419	17,989	1,430
Other	71,070	72,670	72,630	40
Capital Outlay	10,064	8,164	8,101	63
Total - Administration	<u>2,502,280</u>	<u>2,390,480</u>	<u>2,386,349</u>	<u>4,131</u>
Fiscal				
Salaries	464,021	398,021	397,970	51
Fringe Benefits	181,138	171,138	170,861	277
Purchased Services	41,667	44,102	36,364	7,738
Materials and Supplies	22,731	20,731	20,516	215
Other	487,467	525,587	525,569	18
Capital Outlay	4,000	4,000	3,093	907
Total - Fiscal	<u>1,201,024</u>	<u>1,163,579</u>	<u>1,154,373</u>	<u>9,206</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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Business				
Salaries	188,441	164,921	164,660	261
Fringe Benefits	77,807	64,807	64,582	225
Purchased Services	139,311	121,311	120,549	762
Materials and Supplies	12,746	8,946	8,235	711
Other	5,316	3,816	3,592	224
Capital Outlay	4,317	5,017	5,014	3
Total - Business	427,938	368,818	366,632	2,186
Operation and Maintenance of Plant				
Salaries	1,284,688	1,272,688	1,272,084	604
Fringe Benefits	548,328	511,328	510,619	709
Purchased Services	2,140,966	1,907,966	1,907,643	323
Materials and Supplies	228,626	257,626	257,516	110
Capital Outlay	73,118	53,118	52,644	474
Total - Operation and Maintenance of Plant	4,275,726	4,002,726	4,000,506	2,220
Pupil Transportation				
Salaries	1,050,618	1,012,618	1,012,700	(82)
Fringe Benefits	451,437	425,437	423,985	1,452
Purchased Services	98,700	65,600	63,977	1,623
Materials and Supplies	214,350	175,170	175,091	79
Capital Outlay	296,690	290,890	290,864	26
Total - Pupil Transportation	2,111,795	1,969,715	1,966,617	3,098
Central				
Salaries	150,260	149,760	149,308	452
Fringe Benefits	44,269	44,269	43,878	391
Purchased Services	154,695	118,695	118,643	52
Materials and Supplies	40,470	16,500	16,237	263
Other	5,400	4,000	3,996	4
Total - Central	395,094	333,224	332,062	1,162
Total - Support Services:	15,305,872	14,310,077	14,251,736	58,341
Operation of Non-Instructional/Shared Services:				
Community Services				
Purchased Services	30,000	24,000	23,784	216
Materials and Supplies	15,000	15,100	14,964	136
Other	6,000	6,000	4,671	1,329
Total - Community Services	51,000	45,100	43,419	1,681
Total - Operation of Non-Instructional/Shared Services:	51,000	45,100	43,419	1,681

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Extracurricular Activities:				
Academic Oriented Activities				
Salaries	138,874	138,874	156,062	(17,188)
Fringe Benefits	23,710	23,710	26,241	(2,531)
Total - Academic Oriented Activities	<u>162,584</u>	<u>162,584</u>	<u>182,303</u>	<u>(19,719)</u>
Sport Oriented Activities				-
Salaries	705,684	691,184	672,472	18,712
Fringe Benefits	197,507	190,932	186,971	3,961
Total - Sport Oriented Activities	<u>903,191</u>	<u>882,116</u>	<u>859,443</u>	<u>22,673</u>
School and Public Service Co-Curricular Activities				
Salaries	40,465	40,465	41,675	(1,210)
Fringe Benefits	5,804	5,804	6,758	(954)
Total - School and Public Service Co-Curricular Activities	<u>46,269</u>	<u>46,269</u>	<u>48,433</u>	<u>(2,164)</u>
Total - Extracurricular Activities:	<u>1,112,044</u>	<u>1,090,969</u>	<u>1,090,179</u>	<u>790</u>
Total Expenditures	<u>35,225,250</u>	<u>35,226,025</u>	<u>35,089,596</u>	<u>136,429</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,244,175)</u>	<u>(1,002,095)</u>	<u>125,996</u>	<u>1,128,091</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In	406,000	406,000	462,024	56,024
Proceeds from Sale of Capital Assets	2,500	10,000	9,308	(692)
Refund of Prior Year Expenditures	2,500	400	390	(10)
Transfers Out	(1,027,599)	(1,027,824)	(1,025,824)	2,000
Total Other Financing Sources and Uses	<u>(616,599)</u>	<u>(611,424)</u>	<u>(554,102)</u>	<u>57,322</u>
Net Change in Fund Balances	(1,860,774)	(1,613,519)	(428,106)	1,185,413
Fund Balance (Deficit) at Beginning of Year	21,705,810	21,705,810	21,705,810	-
Prior Year Encumbrances Appropriated	313,425	313,425	313,425	-
Fund Balance (Deficit) at End of Year	<u>\$ 20,158,461</u>	<u>\$ 20,405,716</u>	<u>\$ 21,591,129</u>	<u>\$ 1,185,413</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Property and Other Local Taxes	\$ 3,031,612	\$ 3,951,932	\$ 920,320
Intergovernmental	787,960	885,451	97,491
Total Revenues	<u>3,819,572</u>	<u>4,837,383</u>	<u>1,017,811</u>
EXPENDITURES:			
Debt Service:			
Principal	2,379,997	2,379,997	-
Interest	2,286,790	2,286,790	-
Total Expenditures	<u>4,666,787</u>	<u>4,666,787</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(847,215)</u>	<u>170,596</u>	<u>1,017,811</u>
Net Change in Fund Balances	(847,215)	170,596	1,017,811
Fund Balance at Beginning of Year	<u>2,888,968</u>	<u>2,888,968</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,041,753</u>	<u>\$ 3,059,564</u>	<u>\$ 1,017,811</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property and Other Local Taxes	\$ 1,443,172	\$ 307,040	\$ (1,136,132)
Intergovernmental	288,161	100,065	(188,096)
Interest	202,754	70,407	(132,347)
Total Revenues	<u>1,934,087</u>	<u>477,512</u>	<u>(1,456,575)</u>
EXPENDITURES:			
Current:			
Support Services:			
Operation and Maintenance of Plant	129,000	69,725	59,275
Extracurricular Activities:			
Sport Oriented Activities	19,000	18,182	818
Capital Outlay:			
Architecture and Engineering Services	144,721	143,472	1,249
Building Acquisition and Construction Services	33,807	7,656	26,151
Other Facilities Acquisition and Construction	994,981	793,635	201,346
Total Expenditures	<u>1,321,509</u>	<u>1,032,670</u>	<u>288,839</u>
Excess of Revenues Over (Under) Expenditures	<u>612,578</u>	<u>(555,158)</u>	<u>(1,167,736)</u>
Net Change in Fund Balances	612,578	(555,158)	(1,167,736)
Fund Balance at Beginning of Year	356,842	356,842	-
Prior Year Encumbrances Appropriated	<u>438,129</u>	<u>438,129</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,407,549</u>	<u>\$ 239,813</u>	<u>\$ (1,167,736)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 67,803	\$ 62,629	\$ (5,174)
Interest	230	378	148
Customer Sales and Services	426,689	374,622	(52,067)
Miscellaneous	5,000	1,732	(3,268)
Total Revenues	<u>499,722</u>	<u>439,361</u>	<u>(60,361)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	<u>519,636</u>	<u>486,734</u>	<u>32,902</u>
Total Expenditures	<u>519,636</u>	<u>486,734</u>	<u>32,902</u>
Excess of Revenues Over (Under) Expenditures	<u>(19,914)</u>	<u>(47,373)</u>	<u>(27,459)</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>20,000</u>	<u>50,000</u>	<u>30,000</u>
Total Other Financing Sources	<u>20,000</u>	<u>50,000</u>	<u>30,000</u>
Net Change in Fund Balances	86	2,627	2,541
Fund Balance at Beginning of Year	427	427	-
Prior Year Encumbrances Appropriated	<u>13,682</u>	<u>13,682</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,195</u>	<u>\$ 16,736</u>	<u>\$ 2,541</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 25	\$ 47	\$ 22
Contributions and Donations	100	-	(100)
Total Revenues	<u>125</u>	<u>47</u>	<u>(78)</u>
EXPENDITURES:			
Current:			
Support Services:			
Pupils	<u>3,751</u>	<u>-</u>	<u>3,751</u>
Total Expenditures	<u>3,751</u>	<u>-</u>	<u>3,751</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,626)</u>	<u>47</u>	<u>3,673</u>
Net Change in Fund Balances	(3,626)	47	3,673
Fund Balance at Beginning of Year	<u>18,853</u>	<u>18,853</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 15,227</u>	<u>\$ 18,900</u>	<u>\$ 3,673</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, 2018

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

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
Marketing School Store Fund
For the Fiscal Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 25,000	\$ 19,378	\$ (5,622)
Total Revenues	<u>25,000</u>	<u>19,378</u>	<u>(5,622)</u>
EXPENDITURES:			
Current:			
Instruction:			
Vocational	<u>30,000</u>	<u>23,220</u>	<u>6,780</u>
Total Expenditures	<u>30,000</u>	<u>23,220</u>	<u>6,780</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,000)</u>	<u>(3,842)</u>	<u>1,158</u>
Net Change in Fund Balances	(5,000)	(3,842)	1,158
Fund Balance at Beginning of Year	11,266	11,266	-
Prior Year Encumbrances Appropriated	<u>511</u>	<u>511</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,777</u>	<u>\$ 7,935</u>	<u>\$ 1,158</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 5,000	\$ 4,995	\$ (5)
Total Revenues	<u>5,000</u>	<u>4,995</u>	<u>(5)</u>
EXPENDITURES:			
Current:			
Instruction:			
Adult/Continuing	<u>85,000</u>	<u>81,819</u>	<u>3,181</u>
Total Expenditures	<u>85,000</u>	<u>81,819</u>	<u>3,181</u>
Excess of Revenues Over (Under) Expenditures	<u>(80,000)</u>	<u>(76,824)</u>	<u>3,176</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>79,000</u>	<u>80,000</u>	<u>1,000</u>
Total Other Financing Sources	<u>79,000</u>	<u>80,000</u>	<u>1,000</u>
Net Change in Fund Balances	(1,000)	3,176	4,176
Fund Balance at Beginning of Year	<u>2,542</u>	<u>2,542</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,542</u>	<u>\$ 5,718</u>	<u>\$ 4,176</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 749,060	\$ 601,309	\$ (147,751)
Tuition and Fees	1,001,950	944,767	(57,183)
Customer Sales and Services	20,000	17,770	(2,230)
	<u>1,771,010</u>	<u>1,563,846</u>	<u>(207,164)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	407,113	370,515	36,598
Vocational	948,470	793,177	155,293
Support Services:			
Pupils	504,549	406,802	97,747
Administration	9,180	7,612	1,568
Operation and Maintenance of Plant	61,124	57,141	3,983
	<u>1,930,436</u>	<u>1,635,247</u>	<u>295,189</u>
Excess of Revenues Over (Under) Expenditures	<u>(159,426)</u>	<u>(71,401)</u>	<u>88,025</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	1,874,940	1,839,451	(35,489)
Transfers Out	(1,874,940)	(1,839,451)	35,489
	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(159,426)	(71,401)	88,025
Fund Balance at Beginning of Year	2,198,107	2,198,107	-
Prior Year Encumbrances Appropriated	<u>1,331</u>	<u>1,331</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 2,040,012</u></u>	<u><u>\$ 2,128,037</u></u>	<u><u>\$ 88,025</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Gifts and Donations	\$ 16,200	\$ 16,183	\$ (17)
Customer Sales and Services	-	437	437
Total Revenues	<u>16,200</u>	<u>16,620</u>	<u>420</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	26,895	22,386	4,509
Special	1,000	-	1,000
Support Services:			
Central	105	-	105
Total Expenditures	<u>28,000</u>	<u>22,386</u>	<u>5,614</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,800)</u>	<u>(5,766)</u>	<u>6,034</u>
Net Change in Fund Balances	(11,800)	(5,766)	6,034
Fund Balance at Beginning of Year	<u>25,639</u>	<u>25,639</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 13,839</u></u>	<u><u>\$ 19,873</u></u>	<u><u>\$ 6,034</u></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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Customer Sales and Services	\$ 3,000	\$ 1,558	\$ (1,442)
Total Revenues	<u>3,000</u>	<u>1,558</u>	<u>(1,442)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	<u>8,340</u>	<u>3,543</u>	<u>4,797</u>
Total Expenditures	<u>8,340</u>	<u>3,543</u>	<u>4,797</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,340)</u>	<u>(1,985)</u>	<u>3,355</u>
Net Change in Fund Balances	(5,340)	(1,985)	3,355
Fund Balance at Beginning of Year	3,702	3,702	-
Prior Year Encumbrances Appropriated	<u>1,865</u>	<u>1,865</u>	-
Fund Balance at End of Year	<u>\$ 227</u>	<u>\$ 3,582</u>	<u>\$ 3,355</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	\$ 14,912	\$ 9,176	\$ 5,736
Support Services:			
Administration	9,843	52	9,791
Fiscal	32,933	27,039	5,894
Business	26	25	1
Operation and Maintenance of Plant	22,039	6,366	15,673
Pupil Transportation	17,562	14,471	3,091
Extracurricular Activities:			
Sport Oriented Activities	805	-	805
Total Expenditures	<u>98,120</u>	<u>57,129</u>	<u>40,991</u>
Excess of Revenues Over (Under) Expenditures	<u>(98,120)</u>	<u>(57,129)</u>	<u>(40,991)</u>
OTHER FINANCING SOURCES:			
Transfers In	300,000	300,000	-
Total Other Financing Sources	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balances	201,880	242,871	(40,991)
Fund Balance (Deficit) at Beginning of Year	<u>1,462,877</u>	<u>1,462,877</u>	
Fund Balance (Deficit) at End of Year	<u>\$ 1,664,757</u>	<u>\$ 1,705,748</u>	<u>\$ (40,991)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Tuition and Fees	\$ 755,000	\$ 773,914	\$ 18,914
Total Revenues	<u>755,000</u>	<u>773,914</u>	<u>18,914</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>711,371</u>	<u>647,076</u>	<u>64,295</u>
Total Expenditures	<u>711,371</u>	<u>647,076</u>	<u>64,295</u>
Excess of Revenues Over (Under) Expenditures	<u>43,629</u>	<u>126,838</u>	<u>83,209</u>
Net Change in Fund Balances	43,629	126,838	83,209
Fund Balance at Beginning of Year	907,719	907,719	-
Prior Year Encumbrances Appropriated	<u>1,166</u>	<u>1,166</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 952,514</u>	<u>\$ 1,035,723</u>	<u>\$ 83,209</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Extracurricular Activities	\$ 50,600	\$ 36,660	\$ (13,940)
Total Revenues	<u>50,600</u>	<u>36,660</u>	<u>(13,940)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented Activities	4,000	1,243	2,757
Sport Oriented Activities	<u>215,358</u>	<u>163,095</u>	<u>52,263</u>
Total Expenditures	<u>219,358</u>	<u>164,338</u>	<u>55,020</u>
Excess of Revenues Over (Under) Expenditures	<u>(168,758)</u>	<u>(127,678)</u>	<u>41,080</u>
OTHER FINANCING SOURCES:			
Transfers In	<u>130,000</u>	<u>120,000</u>	<u>(10,000)</u>
Total Other Financing Sources	<u>130,000</u>	<u>120,000</u>	<u>(10,000)</u>
Net Change in Fund Balances	(38,758)	(7,678)	31,080
Fund Balance at Beginning of Year	70,526	70,526	-
Prior Year Encumbrances Appropriated	<u>44</u>	<u>44</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 31,812</u>	<u>\$ 62,892</u>	<u>\$ 31,080</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 742,792	\$ 742,249	\$ (543)
Interest	1,107	2,693	1,586
Total Revenues	<u>743,899</u>	<u>744,942</u>	<u>1,043</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	<u>850,219</u>	<u>790,799</u>	<u>59,420</u>
Total Expenditures	<u>850,219</u>	<u>790,799</u>	<u>59,420</u>
Excess of Revenues Over (Under) Expenditures	<u>(106,320)</u>	<u>(45,857)</u>	<u>60,463</u>
Net Change in Fund Balances	(106,320)	(45,857)	60,463
Fund Balance at Beginning of Year	6,211	6,211	-
Prior Year Encumbrances Appropriated	<u>100,111</u>	<u>100,111</u>	-
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 60,465</u>	<u>\$ 60,463</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 7,200	\$ 7,200	\$ -
Total Revenues	<u>7,200</u>	<u>7,200</u>	<u>-</u>
EXPENDITURES:			
Current:			
Support Services:			
Instructional Staff	<u>10,800</u>	<u>10,800</u>	<u>-</u>
Total Expenditures	<u>10,800</u>	<u>10,800</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,600)</u>	<u>(3,600)</u>	<u>-</u>
Net Change in Fund Balances	(3,600)	(3,600)	-
Fund Balance at Beginning of Year	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 3,600</u></u>	<u><u>\$ 3,600</u></u>	<u><u>\$ -</u></u>

Beachwood City School District
Schedules of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Basis) and Actual
IDEA B Fund
For the Fiscal Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 444,849	\$ 306,015	\$ (138,834)
Total Revenues	<u>444,849</u>	<u>306,015</u>	<u>(138,834)</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	88,966	44,644	44,322
Special	113,764	98,429	15,335
Support Services:			
Pupils	120,317	109,300	11,017
Operation of Non-Instructional/Shared Services:			
Community Services	<u>127,060</u>	<u>42,135</u>	<u>84,925</u>
Total Expenditures	<u>450,107</u>	<u>294,508</u>	<u>155,599</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,258)</u>	<u>11,507</u>	<u>16,765</u>
Net Change in Fund Balances	(5,258)	11,507	16,765
Fund Balance at Beginning of Year	660	660	-
Prior Year Encumbrances Appropriated	<u>5,805</u>	<u>5,805</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,207</u>	<u>\$ 17,972</u>	<u>\$ 16,765</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 19,589	\$ 19,589	\$ -
Total Revenues	<u>19,589</u>	<u>19,589</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	19,189	19,189	-
Support Services:			
Instructional Staff	<u>400</u>	<u>400</u>	<u>-</u>
Total Expenditures	<u>19,589</u>	<u>19,589</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 130,830	\$ 129,554	\$ (1,276)
Total Revenues	<u>130,830</u>	<u>129,554</u>	<u>(1,276)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	134,115	134,062	53
Operation of Non-Instructional/Shared Services:			
Community Services	<u>1,973</u>	<u>750</u>	<u>1,223</u>
Total Expenditures	<u>136,088</u>	<u>134,812</u>	<u>1,276</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,258)</u>	<u>(5,258)</u>	<u>-</u>
Net Change in Fund Balances	(5,258)	(5,258)	-
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	<u>5,259</u>	<u>5,259</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 1</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 4,975	\$ 4,976	\$ 1
Total Revenues	<u>4,975</u>	<u>4,976</u>	<u>1</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>4,975</u>	<u>4,976</u>	<u>(1)</u>
Total Expenditures	<u>4,975</u>	<u>4,976</u>	<u>(1)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Intergovernmental	\$ 34,168	\$ 27,004	\$ (7,164)
Total Revenues	<u>34,168</u>	<u>27,004</u>	<u>(7,164)</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	27,004	27,003	1
Operation of Non-Instructional/Shared Services:			
Community Services	<u>7,164</u>	<u>411</u>	<u>6,753</u>
Total Expenditures	<u>34,168</u>	<u>27,414</u>	<u>6,754</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(410)</u>	<u>(410)</u>
Net Change in Fund Balances	-	(410)	(410)
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	<u>411</u>	<u>411</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 411</u>	<u>\$ 1</u>	<u>\$ (410)</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:			
Charges for Services	\$ 3,200,000	\$ 3,440,464	\$ 240,464
Other Revenues	230,000	318,802	88,802
	<u>3,430,000</u>	<u>3,759,266</u>	<u>329,266</u>
OPERATING EXPENSES:			
Claims	4,329,000	3,747,769	581,231
Other	100,000	98,293	1,707
	<u>4,429,000</u>	<u>3,846,062</u>	<u>582,938</u>
Operating Income (Loss)	<u>(999,000)</u>	<u>(86,796)</u>	<u>912,204</u>
Net Change in Net Position	(999,000)	(86,796)	912,204
Net Position at Beginning of Year	2,099,219	2,099,219	
Prior Year Encumbrances Appropriated	<u>5,688</u>	<u>5,688</u>	
Net Position at End of Year	<u>\$ 1,105,907</u>	<u>\$ 2,018,111</u>	<u>\$ 912,204</u>

STATISTICAL

SECTION

Statistical Section

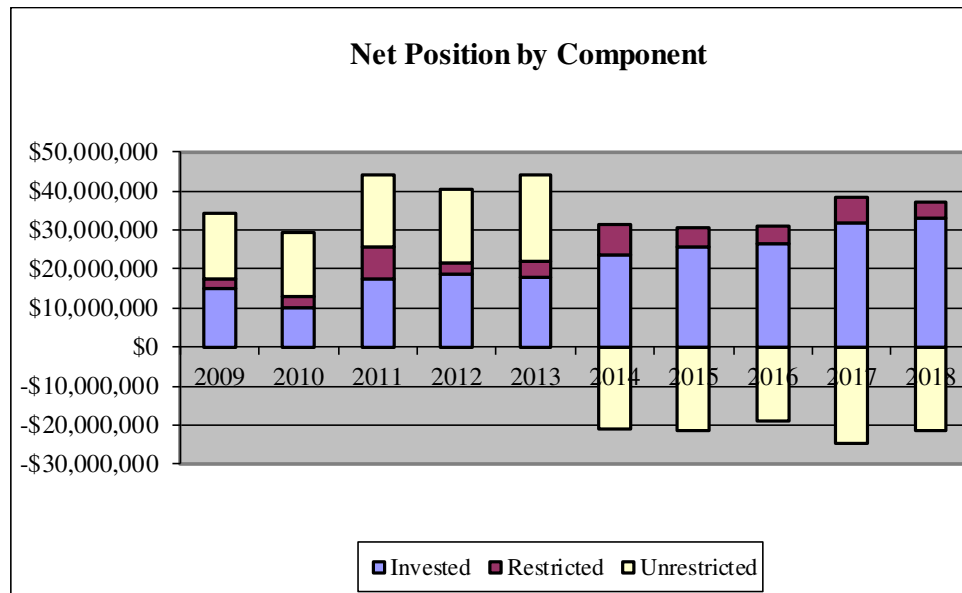
This part of the Beachwood City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial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

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Investment in Capital Assets	\$ 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	\$ 32,937,533
Restricted for:										
Debt Services	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	3,221,659
Capital Outlay	192,756	5,965,796	218,541	616,102	4,242,814	889,076	1,305,802	2,182,718	-	-
Other Purposes	406,199	373,958	325,704	423,498	668,352	660,011	543,051	1,013,143	1,038,742	1,163,756
Set Asides	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873	134,873
Unrestricted	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)	(21,550,830)
Total Net Position	\$ 34,886,406	\$ 35,176,149	\$ 38,711,901	\$ 41,226,242	\$ 48,102,616	\$ 7,419,655	\$ 8,891,980	\$ 14,332,887	\$ 11,510,732	\$ 15,906,991

Source: District Financial Statements



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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Regular Instruction	\$6,981,461	\$14,185,332	\$12,686,194	\$13,447,648	\$12,503,062	\$12,322,813	\$12,479,099	\$11,817,943	\$11,732,566	\$11,979,156
Special Instruction	4,346,907	6,515,516	5,632,796	6,253,498	5,554,774	6,073,357	6,841,655	6,393,564	5,787,279	6,784,298
Vocational Instruction	774,033	1,221,206	1,250,493	1,399,055	1,727,730	1,306,835	732,685	1,566,475	1,489,827	1,290,755
Adult/Conintuing	40,949	73,772	70,675	70,303	106,568	101,993	99,837	172,423	229,767	223,322
Other Instruction	48,096	312,115	289,608	265,444	282,232	267,839	238,069	128,063	225,758	179,790
Pupils	1,255,338	2,627,312	2,233,497	2,647,582	2,483,137	2,659,540	3,113,676	2,447,124	2,599,282	2,710,272
Instructional Staff	1,108,353	2,074,132	1,836,681	1,920,330	1,948,494	1,383,760	1,120,386	1,229,125	1,115,463	1,169,119
Board of Education	511,650	355,408	357,340	408,141	446,035	606,698	358,447	562,724	522,649	460,127
Administration	1,298,941	2,472,009	2,276,591	2,334,232	2,276,927	2,425,348	2,374,984	2,396,922	2,337,526	2,329,151
Fiscal	811,820	996,628	1,167,782	1,061,998	830,832	789,311	827,047	443,112	1,136,671	514,478
Business	263,756	418,986	356,635	326,285	284,773	418,499	459,488	464,459	493,005	458,069
Operation and										
Maintenance of Plant	3,265,550	4,162,520	3,944,032	3,547,759	4,465,843	3,481,534	3,676,973	3,435,706	3,340,931	3,716,973
Pupil Transportation	1,015,455	1,938,172	1,722,149	1,715,068	1,881,013	2,011,020	1,756,043	2,394,212	2,100,921	2,059,398
Central	317,415	291,687	247,360	188,585	75,288	375,875	700,838	779,644	756,795	704,516
Non-instructional	1,638,073	2,230,197	1,883,317	1,885,836	1,826,020	1,562,013	1,528,043	1,615,457	1,526,872	1,506,769
Extracurricular Activities	697,343	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
Debt Service	2,222,392	1,549,639	1,437,967	1,365,362	1,663,812	2,093,321	1,991,584	1,759,116	481,661	541,519
<i>Total Expenses</i>	<i>\$26,597,532</i>	<i>\$42,734,823</i>	<i>\$38,584,363</i>	<i>\$39,952,482</i>	<i>\$39,265,760</i>	<i>\$39,104,549</i>	<i>\$39,536,355</i>	<i>\$38,607,580</i>	<i>\$36,859,819</i>	<i>\$37,636,459</i>
Program Revenues										
Charges for Services and Sales:										
Regular Instruction	\$200,877	\$197,711	\$187,527	\$223,848	\$173,762	\$198,005	\$198,931	\$262,524	\$282,997	\$426,372
Special Instruction	610,730	579,212	162,256	917,763	253,148	1,339,857	882,280	1,016,441	408,532	1,202,361
Vocational Instruction	232,089	346,228	456,962	627,211	599,952	636,639	581,738	810,461	670,516	611,363
Adult/Conintuing	4,995	6,110	4,598	6,500	6,853	10,597	16,141	43,777	208,866	223,322
Other Instruction	-	-	26,001	6,113	-	489	100	2,166	-	40,114
Pupils	447,634	223,357	170,157	489,453	508,341	774,941	804,828	917,293	821,602	956,469
Instructional Staff	3,609	12,616	9,064	12,512	2,065	2,701	51,699	59,206	70,830	151,967
Administration	-	2,917	1,268	959	-	3,574	-	-	6,195	573
Fiscal	-	-	20,199	20	18,882	17,401	9,088	20,410	21,117	6,520
Business	-	-	665	231	971	1,063	2,130	3,178	3,483	9,155
Operation and										
Maintenance of Plant	409,509	398,776	337,419	326,246	311,240	302,878	333,064	324,955	377,779	317,292
Pupil Transportation	41,397	2,384	3,731	7,780	5,033	2,525	2,244	-	7,708	75,245
Central	-	-	3,662	1,891	-	-	12,000	2,652	26,020	8,157
Food Service Operations	379,293	359,144	388,413	345,146	345,753	362,627	382,012	422,646	448,638	415,824
Community Services	776,427	767,277	703,030	731,997	558,981	633,130	562,874	499,863	504,650	516,995
Extracurricular Activities	56,423	47,989	47,452	54,583	52,064	60,329	80,872	46,729	41,905	35,950

Source: District Financial Statements

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Grants and Contributions:										
Regular Instruction	\$640,042	\$583,902	\$377,004	\$462,809	\$560,713	\$954,217	\$1,101,653	\$549,983	\$562,371	\$543,711
Special Instruction	1,211,893	1,165,731	1,137,484	1,049,131	961,075	419,766	602,671	930,310	644,712	980,032
Vocational Instruction	237,702	320,397	296,470	494,562	495,738	341,849	387,084	471,903	399,322	370,783
Other Instruction	-	-	-	-	-	95,243	-	-	-	-
Pupils	155,581	237,437	245,630	233,488	162,901	298,176	344,971	225,966	157,696	170,662
Instructional Staff	7,200	468	1,952	8,550	149,687	126,642	82,014	71,242	72,793	77,894
Administration	3,960	3,341	9,538	11,269	-	12,726	13,862	-	13,591	7,857
Operations	28,325	18,091	32,855	53,529	-	63,630	29,705	-	-	-
Pupil Transportation	377,852	405,306	451,538	420,648	337,890	52,733	30,671	470,815	543,734	485,476
Central	-	-	-	-	-	7,200	9,000	16,375	16,432	52,868
Food Service Operations	62,629	60,585	66,309	71,733	57,098	81,350	68,588	68,349	63,411	49,691
Community Services	789,705	817,661	756,588	688,541	597,713	572,830	519,955	563,069	252,504	289,849
Capital Grants and Contributions:										
Pupil Transportation	-	-	-	-	-	-	-	-	-	6,992
Total Program Revenues	6,677,872	6,556,640	5,897,772	7,246,513	6,159,860	7,373,118	7,110,175	7,800,313	6,627,404	6,629,414
Net Expenses	(\$19,919,660)	(\$36,178,183)	(\$32,686,591)	(\$32,705,969)	(\$33,105,900)	(\$31,731,431)	(\$32,426,180)	(\$30,807,267)	(\$30,232,415)	(\$31,007,045)

Source: District Financial Statements

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Not Restricted to Specific Services	4,323,371	5,132,300	5,515,570	5,504,910	5,687,462	5,647,472	6,385,851	6,845,143	6,141,675	5,152,707
Investment Earnings	85,373	395,352	389,609	309,666	176,869	73,323	221,860	332,985	241,009	465,682
Miscellaneous	2,013,358	2,448,304	1,752,422	632,226	2,712,099	5,436,826	298,808	250,458	257,895	40,154
Property Taxes	30,415,528	25,380,072	30,469,897	27,731,492	33,708,619	27,450,186	28,034,000	26,914,433	23,881,579	30,394,644
<i>Total General Revenues</i>	<u>36,837,630</u>	<u>33,356,028</u>	<u>38,127,498</u>	<u>34,178,294</u>	<u>42,285,049</u>	<u>38,607,807</u>	<u>34,940,519</u>	<u>34,343,019</u>	<u>30,522,158</u>	<u>36,053,187</u>
<i>Change in Net Position</i>	<u>\$16,917,970</u>	<u>(\$2,822,155)</u>	<u>\$5,440,907</u>	<u>\$1,472,325</u>	<u>\$9,179,149</u>	<u>\$6,876,376</u>	<u>\$2,514,339</u>	<u>\$3,535,752</u>	<u>\$289,743</u>	<u>\$5,046,142</u>

Source: District Financial Statements

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<i>General Fund</i>									
Nonspendable	41,199	60,591	81,171	79,722	91,882	81,213	77,423	78,834	77,659
Restricted	149,705	142,289	134,873	134,873	134,873	134,873	134,873	142,715	142,915
Committed	214,660	297,139	257,275	446,142	227,580	245,081	312,464	466,442	148,076
Assigned	4,360,215	1,326,357	-	2,498,306	1,858,365	-	2,412,549	1,170,307	1,305,151
Unassigned	22,226,987	26,566,923	29,917,915	24,692,392	26,643,938	22,231,482	16,014,196	16,816,278	16,281,758
<i>Total General Fund</i>	<u>26,992,766</u>	<u>28,393,299</u>	<u>30,391,234</u>	<u>27,851,435</u>	<u>28,956,638</u>	<u>22,692,649</u>	<u>18,951,505</u>	<u>18,674,576</u>	<u>17,955,559</u>
<i>All Other Governmental Funds</i>									
Nonspendable	5,408	8,760	7,618	7,812	7,393	7,516	8,712	4,891	-
Restricted	4,511,642	4,272,483	2,226,762	4,164,315	4,486,583	4,719,857	4,691,417	30,162,866	8,464,795
Committed	-	-	4,487,517	560,228	278,044	3,113,215	16,807,535	6,097,755	645,440
Unassigned	(2,873,698)	(2,408,221)	-	-	(16,305)	(1,004)	(7,428)	-	-
<i>Total All Other Governmental Funds</i>	<u>1,643,352</u>	<u>1,873,022</u>	<u>6,721,897</u>	<u>4,732,355</u>	<u>4,755,715</u>	<u>7,839,584</u>	<u>21,500,236</u>	<u>36,265,512</u>	<u>9,110,235</u>
<i>Total Governmental Funds</i>	<u>\$28,636,118</u>	<u>\$30,266,321</u>	<u>\$37,113,131</u>	<u>\$32,583,790</u>	<u>\$33,712,353</u>	<u>\$30,532,233</u>	<u>\$40,451,741</u>	<u>\$54,940,088</u>	<u>\$27,065,794</u>

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues										
Property and Other Local Taxes	\$30,358,216	\$25,338,108	\$30,432,420	\$27,867,568	\$33,817,710	\$27,846,976	\$28,034,000	\$26,735,219	\$23,720,129	\$30,489,433
Integovernmental	7,881,207	8,616,046	8,890,938	8,999,170	9,010,277	8,673,834	9,576,025	10,213,155	8,868,241	8,188,859
Interest	85,373	395,352	390,304	309,750	176,914	73,489	221,951	333,272	241,202	467,348
Tuition and Fees/Rent	2,479,932	2,619,730	1,869,768	3,080,253	2,258,470	3,743,392	3,219,070	3,358,651	2,576,047	3,884,672
Miscellaneous Revenue from Local Sources	2,563,659	3,026,834	2,404,363	1,304,142	3,290,629	6,040,024	999,648	1,323,821	1,582,493	1,151,158
Total Revenues	\$43,368,387	\$39,996,070	\$43,987,793	\$41,560,883	\$48,554,000	\$46,377,715	\$42,050,694	\$41,964,118	\$36,988,112	\$44,181,470
Expenditures										
Instruction	\$21,085,410	\$19,552,428	\$18,863,191	\$20,227,953	\$19,818,267	\$19,751,303	\$19,532,432	\$19,158,837	\$18,741,726	\$19,390,201
Support Services:										
Pupil	2,546,653	2,519,937	2,106,213	2,605,118	2,491,157	2,696,076	3,046,113	2,488,406	2,638,931	2,683,603
Instructional Staff	1,632,673	1,734,769	1,830,686	1,934,842	2,005,568	1,338,612	1,054,135	1,245,680	1,109,864	1,090,565
Board of Education	504,063	332,135	336,313	387,993	424,218	585,644	337,438	543,728	502,689	439,485
Administration	2,394,327	2,310,290	2,271,929	2,348,437	2,265,053	2,397,235	2,367,983	2,357,983	2,295,127	2,274,608
Fiscal	1,148,971	1,171,421	1,002,165	1,114,806	1,041,887	873,283	1,106,852	965,920	982,071	944,581
Business	380,556	389,899	349,582	356,524	288,951	415,861	479,569	456,991	485,105	450,040
Operation and Maintenance of Plant	4,070,440	3,938,490	3,707,137	3,482,222	3,409,790	3,023,997	2,948,024	3,228,836	3,310,293	3,525,969
Pupil Transportation	1,644,348	1,748,501	1,761,570	1,955,864	1,906,237	2,030,773	1,665,516	2,256,616	2,189,730	2,100,816
Central	306,702	280,386	299,163	253,730	244,583	918,231	1,124,218	1,317,613	742,267	1,013,722
Non-instructional	1,886,457	2,014,808	1,807,773	1,778,066	1,831,026	1,500,237	1,488,316	1,584,575	1,492,319	1,489,470
Extracurricular Activities	1,279,893	1,259,237	1,186,277	1,159,468	1,074,734	1,215,381	1,217,815	968,684	956,455	976,735
Capital Outlay	1,399,982	5,067,174	4,882,239	963,409	4,279,834	15,314,306	16,076,522	3,304,901	397,220	832,691
Debt Service:										
Principal	2,439,166	3,062,737	2,740,000	2,710,000	2,515,000	2,440,000	2,230,000	2,060,000	1,450,000	1,390,000
Interest	2,288,257	1,492,599	1,501,060	1,411,014	2,146,160	2,013,447	2,036,195	2,092,818	645,190	593,478
Total Expenditures	45,007,898	46,874,811	44,645,298	42,689,446	45,742,465	56,514,386	56,711,128	44,031,588	37,938,987	39,195,964
Excess of Revenues Over (Under) Expenditures	(1,639,511)	(6,878,741)	(657,505)	(1,128,563)	2,811,535	(10,136,671)	(14,660,434)	(2,067,470)	(950,875)	4,985,506
Other Financing Sources/(Uses)										
Operating Transfers In	250,000	203,000	195,500	259,572	272,600	331,600	233,540	243,024	240,000	396,000
General Obligation Bonds Issued	-	-	5,009,296	-	16,569,966	3,325,175	-	30,319,567	-	-
Proceed from Sale of Bonds	-	-	-	-	-	-	-	-	5,650,000	-
Proceeds from Sale of Capital Assets	9,308	31,931	-	-	-	-	-	-	-	-
Inception of Capital Lease	-	-	177,542	-	291,635	157,750	172,087	267,639	-	124,373
Other Financing Sources	-	-	-	-	246,984	-	-	-	-	-
Operating Transfers Out	(250,000)	(203,000)	(195,500)	(259,572)	(272,600)	(331,600)	(233,540)	(243,024)	(240,000)	(396,000)
Refunding of Bonds	-	-	-	-	(16,740,000)	(3,265,762)	-	-	-	-
	9,308	31,931	5,186,838	-	368,585	217,163	172,087	30,587,206	5,650,000	124,373
Net Changes in Fund Balances	(\$1,630,203)	(\$6,846,810)	\$4,529,333	(\$1,128,563)	\$3,180,120	(\$9,919,508)	(\$14,488,347)	\$28,519,736	\$4,699,125	\$5,109,879
Debt Services as a percentage of Noncapital expenditures	10.84%	10.90%	10.56%	10.03%	10.74%	11.65%	10.04%	9.24%	5.32%	5.25%
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	
2018	\$ 713,048,270	\$ 2,037,280,771	\$ 14,404,130	\$ 16,368,330	\$ 727,452,400	\$ 2,053,649,101	86.20
2017	712,300,970	2,035,145,629	13,566,640	15,416,636	725,867,610	2,050,562,265	86.40
2016	707,183,170	2,020,523,343	12,895,080	14,653,500	720,078,250	2,035,176,843	86.40
2015	696,943,910	1,991,268,314	12,737,020	14,473,886	709,680,930	2,005,742,201	86.40
2014	696,761,180	1,990,746,229	12,248,200	13,918,409	709,009,380	2,004,664,638	86.40
2013	701,730,150	2,004,943,286	10,998,710	12,498,534	712,728,860	2,017,441,820	86.40
2012	699,199,670	1,997,713,343	10,143,050	11,526,193	709,342,720	2,009,239,536	86.40
2011	709,770,470	2,027,915,629	9,915,590	11,267,715	719,686,060	2,039,183,344	86.40
2010	713,176,220	2,037,646,343	9,694,520	11,016,500	722,870,740	2,048,662,843	83.90
2009	734,787,970	2,099,394,200	24,347,999	243,873,264	759,135,969	2,343,267,464	83.90

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

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

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
		2017/2018	86.20		23.93	4.00	114.13
2016/2017	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2015/2016	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2014/2015	86.40	23.43	4.00	113.83	4.40	0.95	5.35
2013/2014	86.40	22.53	4.00	112.93	4.40	0.85	5.25
2012/2013	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2011/2012	86.40	20.80	4.00	111.20	4.40	1.02	5.42
2010/2011	86.40	20.90	4.00	111.30	4.40	1.14	5.54
2009/2010	83.90	20.60	4.00	108.50	1.90	0.82	2.72
2008/2009	83.90	20.60	4.00	108.50	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>
2017/2018	\$33,476,523	\$793,681	\$34,270,204	\$31,611,023	94.43%	\$712,902	\$32,323,925	96.6%
2016/2017	33,397,718	2,149,143	35,546,861	31,598,660	94.61%	365,205	31,963,865	95.7%
2015/2016	32,750,590	1,112,487	33,863,077	30,959,431	94.53%	349,869	31,309,300	95.6%
2014/2015	32,929,787	24,369,590	57,299,377	29,959,212	90.98%	400,488	30,359,700	92.2%
2013/2014	32,718,952	18,232,690	50,951,642	32,023,221	97.87%	709,981	32,733,202	100.0%
2012/2013	32,713,108	15,059,270	47,772,378	30,120,713	92.08%	450,863	30,571,576	93.5%
2011/2012	32,715,403	12,492,683	45,208,086	29,975,093	91.62%	826,730	30,801,823	94.2%
2010/2011	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2009/2010	31,523,485	10,226,335	41,749,820	28,121,306	89.21%	599,534	28,720,840	91.1%
2008/2009	31,001,148	7,953,004	38,954,152	28,262,113	91.16%	704,361	28,966,474	93.4%

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, 2017 and December 31, 2008

Name of Taxpayer	Nature of Business	December 31, 2017	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Retail	\$76,130,200	21.19%
OLP Beachwood LLC	Apartments	25,992,370	7.23%
Hamptons Apartment	Apartments	12,062,260	3.36%
Village Green of Beachwood	Condominiums	11,131,370	3.10%
DFG Pavilion LLC	Retail	10,395,010	2.89%
Four Seasons Apartments IV	Apartment Complex	10,071,610	2.80%
Developers Diversified	Realty	9,864,400	2.75%
SGS One Two Chagrin	Condominiums	8,437,990	2.35%
Commerce Park IV & V	Office buildings	8,142,070	2.27%
Four Seasons Apartments, LLC	Apartment Complex	7,519,880	2.09%
		<u>\$179,747,160</u>	<u>50.03%</u>
Total Commercial Valuation		<u>\$359,307,780</u>	

Name of Taxpayer	Nature of Business	December 31, 2008	
		Assessed Valuation	% of Total Assessed Valuation (1)
Beachwood Place Limited	Mall	\$57,858,580	15.61%
Cleveland Clinic	Health Care	48,958,120	13.21%
Doubletree	Hotel	10,291,900	2.78%
Hamptons Apartment	Apartments	10,995,570	2.97%
Village Green of Beachwood	Condominiums	9,562,710	2.58%
Commerce Park	Office Buildings	9,800,020	2.64%
Four Seasons Apartments	Apartments	8,786,270	2.37%
Boardwalk Partners LLC	Hotel	8,423,740	2.27%
HCRI Beachwood, Inc.	Hotel	7,179,660	1.94%
Gotham King Fee Owner, LLC	Unknown	7,057,830	1.90%
		<u>\$178,914,400</u>	<u>48.27%</u>
Total Commercial Valuation		<u>\$370,649,280</u>	

Source: Cuyahoga County Fiscal Officer

Beachwood City School District
Principal Property Taxpayers
Public Utility Tax
December 31, 2017 and December 31, 2008

		<u>December 31, 2017</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
Cleveland Electric Illuminating	Electric Utility	\$8,251,800	57.29%
Total		<u>\$8,251,800</u>	<u>57.29%</u>
Total Public Utility Valuation		<u>\$14,404,130</u>	

		<u>December 31, 2008</u>	
<u>Name of Taxpayer</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Tangible Personal Property Valuation</u>
Cleveland Electric Illuminating	Electric Utility	\$8,012,760	79.91%
Ohio Bell	Telephone	921,450	9.19%
American Transmission System	Telephone	571,470	5.70%
East Ohio Gas	Utility	521,690	5.20%
Total		<u>\$10,027,370</u>	<u>100.00%</u>
Total Public Utility Valuation		<u>\$10,027,370</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
2018	\$26,994,966	\$5,586,973	\$0	\$32,581,939	\$2,726	5.7%
2017	28,500,619	6,524,414	59,169	35,084,202	2,935	6.1%
2016	30,766,271	7,326,855	116,906	38,210,032	3,197	6.7%
2015	33,001,923	2,885,000	97,197	35,984,120	3,010	6.3%
2014	35,202,575	3,440,000	244,826	38,887,401	3,253	6.8%
2013	37,567,973	3,995,000	103,847	41,666,820	3,486	7.3%
2012	39,812,758	4,550,000	202,643	44,565,401	3,728	7.8%
2011	40,724,998	5,105,000	178,426	46,008,424	3,849	8.0%
2010	11,479,998	6,410,000	41,053	17,931,051	1,471	8.2%
2009	12,209,998	1,480,000	81,096	13,771,094	1,130	2.3%

Source: Beachwood City Schools

* Population 11,953 per US census, 2010-2018; 12,186 2008-2009

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

Beachwood City School District
 Computation of Direct and Overlapping Debt
 General Obligation
 As of December 31, 2017

<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	\$32,581,939	100.00%	\$32,581,939
<i>Overlapping Debt:</i>			
Cuyahoga County	207,485,000	2.61%	5,414,090
Regional Transit Authority	1,995,000	2.61%	52,057
City of Beachwood	21,000,000	95.15%	19,982,537
City of Pepper Pike	<u>5,494,927</u>	1.06%	<u>58,228</u>
Total Overlapping Debt	<u>235,974,927</u>		<u>25,506,912</u>
Total Debt	<u><u>\$268,556,866</u></u>		<u><u>\$58,088,851</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 2018 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>
2018	\$26,994,966	\$3,320,889	\$23,674,077	\$727,452,400	11,953	3.25%	\$1,981
2017	28,500,619	3,185,321	25,315,298	725,867,610	11,953	3.49%	2,118
2016	30,766,271	3,244,584	27,521,687	720,078,250	11,953	3.82%	2,302
2015	33,001,923	2,572,826	30,429,097	709,680,930	11,953	4.29%	2,546
2014	35,202,575	2,954,498	32,248,077	709,009,380	11,953	4.55%	2,698
2013	37,567,973	2,620,960	34,947,013	712,728,860	11,953	4.90%	2,924
2012	39,812,758	2,571,283	37,241,475	709,342,720	11,953	5.25%	3,116
2011	40,724,998	2,218,606	38,506,392	719,686,060	11,953	5.35%	3,221
2010	11,479,998	1,884,167	9,595,831	722,870,740	12,186	1.33%	787
2009	12,209,998	2,052,047	10,157,951	759,135,969	12,186	1.34%	834

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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Valuation	<u>\$727,452,400</u>	<u>\$725,867,610</u>	<u>\$720,078,250</u>	<u>\$709,680,930</u>	<u>\$709,009,380</u>	<u>\$712,728,860</u>	<u>\$709,342,720</u>	<u>\$719,686,060</u>	<u>\$722,870,740</u>	<u>\$759,135,969</u>
Bonded Debt Limit - 9% of Assessed Value (1)	\$65,470,716	\$65,328,085	\$64,807,043	\$63,871,284	\$63,810,844	\$64,145,597	\$63,840,845	\$64,771,745	\$65,058,367	\$68,322,237
Amount of Debt Applicable to Debt Limit:										
Bonded Debt	26,994,966	28,500,619	30,766,271	33,001,923	35,202,575	37,567,973	39,049,998	40,724,998	11,479,998	12,209,998
Less Bond Retirement Fund	<u>3,320,889</u>	<u>3,185,321</u>	<u>3,244,584</u>	<u>2,752,826</u>	<u>2,954,498</u>	<u>2,620,960</u>	<u>2,571,283</u>	<u>2,218,606</u>	<u>1,884,167</u>	<u>2,052,047</u>
Net General Bonded Debt	<u>23,674,077</u>	<u>25,315,298</u>	<u>27,521,687</u>	<u>30,429,097</u>	<u>32,248,077</u>	<u>34,947,013</u>	<u>36,478,715</u>	<u>38,506,392</u>	<u>9,595,831</u>	<u>10,157,951</u>
Voted Debt Margin	<u>\$41,796,639</u>	<u>\$40,012,787</u>	<u>\$37,285,356</u>	<u>\$33,442,187</u>	<u>\$31,562,767</u>	<u>\$29,198,584</u>	<u>\$27,362,130</u>	<u>\$26,265,353</u>	<u>\$55,462,536</u>	<u>\$58,164,286</u>
Ratio of Legal Debt Margin to Assessed Values	5.75%	5.51%	5.18%	4.71%	4.45%	4.10%	3.86%	3.65%	7.67%	7.66%
Bonded Debt Limit - .1% of Assessed Value (1)	<u>\$727,452</u>	<u>\$725,868</u>	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</u>
Unvoted Debt Margin	<u>\$727,452</u>	<u>\$725,868</u>	<u>\$720,078</u>	<u>\$709,681</u>	<u>\$709,009</u>	<u>\$712,729</u>	<u>\$709,343</u>	<u>\$719,686</u>	<u>\$722,871</u>	<u>\$759,136</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>
2016	11,953	\$133,952	\$54,294	\$573,863,530	\$48,010	4.7%	5.4%
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

Source:

- (1) 2016 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, 2017

<u>Employer</u>	<u>Number of</u>	<u>Percentage of</u>
Cleveland Clinic Foundation	2,894	11.46%
University Hospitals	1,959	7.76
Menorah Park Center	1,200	4.75
Eaton Corporation	861	3.41
Beachwood Board of Education	559 **	2.21
City of Beachwood	501	1.98
Lifetime Fitness Club	469	1.86
Montefiore Home	464	1.84
Developers Diversified	457	1.81
Penske Logistics	<u>319</u>	<u>1.26</u>
Total	<u>9,683</u>	<u>38.35%</u>
Total employment within the School District	<u>25,247</u>	

** Includes seasonal, substitutes and casual labor

December 31, 2008

<u>Employer</u>	<u>Number of</u>	<u>Percentage of</u>
Bank of America	2,301	9.28%
Cleveland Clinic Foundation	1,204	4.85
Menorah Park Center	998	4.02
Beachwood Board of Education	586	2.36
City of Beachwood	488	1.97
Developers Diversified	450	1.81
Brulant	295	1.19
Tremco Incorporated	288	1.16
Hexagram	225	0.91
Aleris Ohio Management	<u>177</u>	<u>0.71</u>
Total	<u>7,012</u>	<u>28.27%</u>
Total employment within the School District	<u>24,805</u>	

Source: Regional Income Tax Agency and City of Beachwood

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Fairmount Elementary School										
Constructed in 1998										
Total Building Square Footage	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987	26,987
* Enrollment Grades PreK	89	84	75	75	75	79	74	67	70	84
Student Capacity	220	220	220	220	220	220	220	220	220	220
Regular Instruction Classrooms	8	8	8	8	8	8	8	8	8	8
Regular Instruction Teachers	4	4	3.6	3.21	3.21	2.88	2	2	3	3
Special Instruction Classrooms	2	2	2	2	2	2	2	3	3	3
Special Instruction Teachers	1	0.5	0.6	1	1	1	1	1	1.68	1.75
% of students who receive free/reduced lunch	0.0%	5.0%	0	0	0	0	0	0	0.00**	0.00**
* Includes special ed Pre k and preschool students										
** Lunch not served at Fairmount										
Bryden Elementary School										
Constructed in 1958										
Additions in 1991 and 2002										
Total Building Square Footage	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289	50,289
Enrollment Grades K -2	264	239	278	278	233	260	276	303	307	274
Student Capacity	510	510	510	510	510	510	510	510	510	510
Regular Instruction Classrooms	13	13	13	13	13	13	13	13	13	13
Regular Instruction Teachers	15.6	17.98	17.98	17.37	17.37	18.4	17.4	16.9	18	19
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	3	2.4	2.4	3	3	4	4.2	4.2	5.00	4.38
% of students who receive free/reduced lunch	3.43%	6.12%	7.79%	9.01%	9.01%	7.30%	13.76%	12.21%	11.31%	11.31%
Hilltop Elementary School										
Constructed in 1957										
Addition in 2002										
Total Building Square Footage	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200	51,200
Enrollment Grades 3-5	317	269	294	294	325	361	321	294	284	312
Student Capacity	731	731	731	731	731	731	731	731	731	731
Regular Instruction Classrooms	16	16	16	16	16	16	16	16	16	16
Regular Instruction Teachers	22.4	20.8	20.8	20.88	20.88	19.98	17.3	16.38	20.56	25
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	6	5	5	8	8	7	6.2	8.8	9.4	6.42
% of students who receive free/reduced lunch	7.77%	10.00%	9.89%	14.15%	14.15%	12.74%	11.21%	9.52%	10.09%	10.09%
Beachwood Middle School										
Constructed in 2003										
Total Building Square Footage	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000
Enrollment Grades 6 - 8	346	363	348	348	311	318	358	336	320	288
Student Capacity	560	560	560	560	560	560	560	560	560	560
Regular Instruction Classrooms	27	27	27	27	27	27	27	27	27	27
Regular Instruction Teachers	24.3	22.96	22.96	22.3	22.3	21.4	21.58	21.58	21.2	22
Special Instruction Classrooms	6	6	6	3	3	3	3	3	3	3
Special Instruction Teachers	7	6.07	6.07	5.2	5.2	5	5.8	7	6	4.7
% of students who receive free/reduced lunch	9.54%	9.16%	8.74%	10.28%	10.28%	12.26%	11.45%	14.88%	10.73%	10.73%
Beachwood High School										
Constructed in 1958										
Additions in 2002 and 2003, 2013										
Total Building Square Footage	256,113	256,113	256,113	256,113	256,113	208,509	208,509	208,509	208,509	208,509
Enrollment Grades 9 - 12	647	639	643	643	635	627	650	692	667	669
Student Capacity	1350	1350	1350	1350	1350	1180	1180	1180	1,180	1,180
Regular Instruction Classrooms	45	45	45	45	45	40	40	40	40	40
Regular Instruction Teachers	40.9	40.54	40.54	41.8	41.8	42.73	41.185	42.7	40	45
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	6
Special Instruction Teachers	7	6.6	6.6	7	7	7	8	8	8	8
% of students who receive free/reduced lunch	5.96%	8.42%	10.99%	12.12%	12.12%	11.64%	10%	8.67%	5.30%	5.30%
Source: District Records										

Beachwood City School District
Per Pupil Cost
Last Ten Fiscal Years

<u>Year</u>	<u>Per Pupil Cost</u>	<u>Percentage Change</u>
2018	\$16,763	-2.70%
2017	17,229	2.50%
2016	16,809	-2.93%
2015	17,316	2.55%
2014	16,885	4.58%
2013	16,146 **	-15.76%
2012	19,166	-2.44%
2011	19,645	0.71%
2010	19,506	-2.65%
2009	20,038	113.72%

Source: School District Financial Records

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

<u>Fiscal Year</u>	<u>Beachwood Attendance Rate</u>	<u>State Average</u>	<u>Beachwood 4 year Graduation Rate</u>	<u>State Average</u>
2018	95.6%	**	97.9%	84.1%
2017	94.8	93.9	97.6	83.4
2016	95.7	94.1	96.6	83.5
2015	95.4	94.1	96.9	83.0
2014	96.3	94.2	95.9	81.3
2013	95.9	94.2	95.7	81.3
2012	96.3	93.0	92.6	90.0
2011	96.2	93.0	100.0	90.0
2010	95.9	94.3	97.1	83.0
2009	95.6	94.3	98.5	84.6

Source: Ohio Department of Education Local Report Cards

** State of Ohio no longer publishes statewide attendance rates

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Regular Instruction										
Preschool Classroom Teachers	4.00	4.00	3.60	3.21	3.21	2.88	2.42	2.00	2.00	3.00
Preschool Aides	3.20	3.20	3.80	4.14	4.14	4.60	3.61	3.36	2.32	3.43
Preschool After Care Instructor	34.50	-	-	-	-	-	-	-	-	-
Elementary Classroom Teachers	1.00	34.50	34.50	32.93	32.97	32.47	30.47	31.47	29.00	30.47
Instructional Assistants	15.05	1.00	1.00	1.00	-	-	-	-	-	-
Art/Music/PE/Technology K-12	57.50	15.05	15.05	17.18	17.18	17.18	18.16	18.16	18.66	19.66
HS/MS Classroom Teachers		57.50	57.50	48.30	48.30	47.63	46.64	46.70	49.07	47.10
Special Instruction	0.50									
Preschool Special Ed.	1.00	0.50	0.60	1.00	1.00	1.00	1.00	1.00	1.68	1.75
ESL	0.00	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	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Multi-Disabilities	3.00	0.00	0.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Deaf/Hard of Hearing	15.90	3.00	3.00	3.75	4.00	4.00	4.50	5.00	5.00	5.00
Intervention Specialists	30.89	15.90	16.40	15.75	13.00	13.00	14.00	14.00	14.00	14.00
Special Ed Assistants	3.00	30.89	30.40	33.57	34.57	34.97	36.74	33.15	34.05	35.00
Gifted Education Teachers		3.00	2.07	2.27	2.27	4.00	4.00	4.00	4.00	4.00
Vocational Instruction	5.60									
High School Classroom Teachers		5.60	5.00	6.00	6.00	6.00	6.50	7.50	7.00	7.00
Pupil Support Services	6.00									
Guidance Counselors	4.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Librarians	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Library Media Assistants	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50
Psychologists	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.50	3.00
Audiologist and Speech & Lang	2.00	3.30	4.60	4.60	4.60	4.60	4.60	4.60	4.60	5.20
Nurses	6.52	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.10	2.10
Educational Interpreters	1.00	6.52	7.22	7.60	8.42	8.50	9.36	10.00	10.00	10.00
Occupational Therapist	8.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tutors		8.00	4.75	4.75	4.01	3.41	4.53	2.58	2.32	5.80
Administrators/Supervisors	6.00									
Central Office	2.00	6.00	6.00	6.00	6.00	6.00	3.00	4.00	4.00	4.00
Elementary	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
MiddleSchool/High School	6.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	5.00
Supervisors	-	6.00	6.00	4.50	4.00	3.00	5.00	4.00	5.00	5.00
Community Education Coordinator		-	-	-	-	-	0.00	0.00	0.63	0.63
Administrative Support	15.00									
Administrative/Office Assistants		15.00	15.00	15.00	15.00	15.00	15.00	16.00	16.53	16.50
Operation of Plant	7.00									
Cleaners	13.00	7.00	5.00	8.00	9.45	10.40	11.00	11.00	11.00	11.00
Custodians	5.00	13.00	13.00	10.00	10.00	9.00	9.89	9.00	9.00	9.00
Maintenance/Grounds		5.00	5.00	4.00	4.00	4.00	3.00	3.00	4.00	5.00
Pupil Transportation	19.00									
Bus Drivers	2.00	19.00	17.00	18.30	19.86	18.87	14.93	18.15	18.15	20.26
Mechanics	5.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Treasurer's Office Staff	1.00	5.00	4.60	5.00	5.00	5.00	4.60	4.60	4.60	4.60
Technology		1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	<u>296.96</u>	<u>296.96</u>	<u>290.09</u>	<u>289.85</u>	<u>289.98</u>	<u>288.51</u>	<u>286.95</u>	<u>287.27</u>	<u>289.71</u>	<u>302.00</u>

Source: District records

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

Degree	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bachelor's Degree	14	14	17	7	9	14	13	13	12	12
Bachelor+ 12	5	5	4	3	5	3	7	3	3	2
Bachelor + 24	2	3	3	4	6	7	7	8	6	9
Bachelor + 30	6	6	8	6	4	2	2	2	2	2
Master's Degree	39	39	46	50	45	43	40	40	50	48
Master + 12	33	30	25	26	24	24	25	29	25	28
Master + 24	22	18	21	21	21	19	25	22	20	18
Master + 36	19	20	18	19	26	25	21	20	21	23
Master + 60	23	25	18	21	20	23	20	23	19	20
Total	<u>163</u>	<u>160</u>	<u>160</u>	<u>157</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>160</u>	<u>158</u>	<u>162</u>

Source: School District Records

Beachwood City School District
Enrollment Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle School/ High School</u>	<u>Total</u>
2018	527	993	1,520
2017	508	1,002	1,510
2016	541	1,009	1,550
2015	572	991	1,563
2014	593	933	1,526
2013	638	946	1,584
2012	616	1,008	1,624
2011	621	1,028	1,649
2010	617	987	1,604
2009	614	957	1,571

Source: Beachwood City Schools EMIS records

Beachwood City School District
ACT Composite Scores
Last Ten School Years

<u>School Year</u>	<u>Number of Test Takers</u>	<u>Number of Seniors</u>	<u>Beachwood Composite</u>	<u>Ohio Composite</u>	<u>National Composite</u>
2018	123	125	24	20.3	20.8
2017	121	138	25.2	22.0	21.0
2016	106	125	24.8	22.0	20.8
2015	100	113	24.5	22.0	21.0
2014	115	132	26.0	22.0	21.0
2013	106	121	26.3	21.8	20.9
2012	122	138	25.3	21.8	21.1
2011	131	160	26.0	21.8	21
2010	113	139	26.1	21.8	20.9
2009	187	126	25.4	21.7	21.1

Source: High School Guidance Department
 Beachwood City School District

Beachwood City School District
SAT Composite Scores
Last Ten School Years

<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>
2018	28	658	552	536	703	547	531
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

Source: High School Guidance Department
 Beachwood City School District

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OHIO AUDITOR OF STATE
KEITH FABER



BEACHWOOD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 24, 2019**