

***CITY OF BEACHWOOD***

***CUYAHOGA COUNTY***

Regular Audit

For the Year Ended December 31, 2022







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Columbus, Ohio 43215  
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(800) 282-0370

City Council  
City of Beachwood  
25325 Fairmount Blvd  
Beachwood, Ohio 44122

We have reviewed the *Independent Auditor's Report* of the City of Beachwood, Cuyahoga County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. 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 City of Beachwood is responsible for compliance with these laws and regulations.

There is an ongoing review of compliance items or issues as of the date of this report. Dependent on the outcome of this review, results may be reported upon in a subsequent report.

Keith Faber  
Auditor of State  
Columbus, Ohio

October 17, 2023

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**City of Beachwood**  
**Cuyahoga County**  
*Regular Audit*  
*For the Year Ended December 31, 2022*

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**INDEPENDENT AUDITOR'S 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**

City of Beachwood  
Cuyahoga County  
25325 Fairmount Blvd.  
Beachwood, OH 44122

To the Members of Council:

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2023, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 or significant deficiencies may exist that were not identified.

*City of Beachwood*

*Cuyahoga County*

Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of the Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City'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 financial statements. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Charles E. Harris & Associates*

***Charles E. Harris & Associates, Inc.***

July 30, 2023





THE CITY OF BEACHWOOD OHIO

- ANNUAL COMPREHENSIVE FINANCIAL REPORT -

ACFR

*for the year ended*  
DECEMBER 31, 2022

CITY OF  
*Beachwood*

**THE CITY OF BEACHWOOD OHIO**  
**Annual Comprehensive Financial Report**  
**for the year ended December 31,2022**

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**PREPARED BY:** *Office of the Finance Director*  
*Larry A. Heiser, CPA*  
*Finance Director*

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INTRODUCTORY SECTION



**City of Beachwood, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2022*  
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July 31, 2023

Members of Beachwood City Council and

The Citizens of Beachwood, Ohio

It is our privilege to present to you the City of Beachwood's (the City) Annual Comprehensive Financial Report. This report represents the official report of the City of Beachwood's operations and financial position for the year ended December 31, 2022, and has been developed to accurately detail the status of City finances to Beachwood residents and elected officials, investment banks and underwriters, rating agencies and all other interested parties. This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the cities reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of year end.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the entire presentation, including all disclosures, rests with the City of Beachwood. We believe the data presented is accurate in all material respects and it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the City of Beachwood's activities have been included.

Through the use of a computerized financial accounting and reporting system, the City has implemented a series of strong internal controls which provide a reasonable, but not absolute, assurance with respect to the safeguarding of City assets against losses resulting from unauthorized use or disposal. Such assurances also pertain to the reliability of the financial records utilized to prepare financial statements and maintain accountability of assets. The framework of the City's internal control system was structured using the concept of reasonable assurance, a concept that recognizes that the cost of a control should not exceed the expected benefits likely to be derived from its implementation.

In accordance with Ohio law, independent audits are required to be performed on all financial operations of the City. Either the Auditor of the State of Ohio or, if the Auditor permits, an independent public accounting firm conducts these audits. For the year 2022, the City was audited by Charles E. Harris & Associates, Incorporated. The independent auditor's report is presented in the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City of Beachwood gained formal status as a City in 1960 with an estimated census of approximately 6,100 residents. Previously, the City was incorporated as a village in 1915. Beachwood is located in the county of Cuyahoga in northeastern Ohio approximately 13.5 miles east of downtown Cleveland.

The City of Beachwood covers approximately 5.25 square miles, and serves a population of 14,040. Due to factors attracting commercial interests to Beachwood it is estimated that approximately 100,000 people come to Beachwood daily to work, shop, or visit.

Voters first adopted the City Charter on November 3, 1959. It was extensively revised and re-adopted in its entirety at the general election of November 8, 1994 and most recently at the general election of November 6, 2018. The Charter governs operations of the City of Beachwood and provides for a Mayor-Council form of municipal government. All legislative authority is vested in a seven-member Council. Council members are elected on an at-large basis at the regular municipal election in November of odd numbered years for a term of four years, and serve staggered terms commencing on the first day of January after the election.

Pursuant to the Charter, the Mayor is to be elected every fourth year. The Mayor is considered to be the Chief Executive Officer of the City, and is responsible for all contracts, conveyances, evidences of indebtedness and other instruments to which the City is a party. The Mayor serves as the official and ceremonial head of the City government.

Beachwood residents receive water services from the City of Cleveland and sewer services from the Northeast Ohio Regional Sewer District. Beachwood safety forces are partners with other local municipalities for joint response fire and police services.

The City has reviewed its reporting entity definition in order to ensure compliance and conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34." For financial reporting definition purposes, City management has considered all agencies, departments and organizations comprising the City of Beachwood, the primary government, and its potential component units.

The Beachwood City School District and the (Greater Cleveland) Regional Transit Authority have not been included in the accompanying financial statements. Boards of both entities are not appointed by the City, nor is either fiscally dependent on the City of Beachwood.

The City has contracted with the Regional Income Tax Agency for municipal income tax administration and collection services.

In accordance with State law, all funds, with the exception of custodial funds, are legally required to be budgeted and appropriated. The legal level of control has been established by Council at the personal services and other object level within each fund. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director.

Annual appropriations for the current year are determined by Council action on or before December 31.



## **Local Economy**

City Council and the Administration are committed to protecting the level of services afforded all of the commercial and residential citizenry of the City and to implement projects and programs designed to improve the economic and operational efficiency of the City Government. Through effective financial management, the City is striving to maintain tax rates at current levels, an action that should continue to draw new businesses and homebuyers to the City.

The City currently maintains a Aaa rating with Moody's Investor Service and a AAA rating with Fitch Investors Service, two of the three largest recognized rating agencies of municipal debt. These ratings demonstrate the City's high level of performance as it relates to management and administration of government resources, effective debt management with moderate low levels, vibrant and diverse local economy, and strong finances. The City is very proud of these ratings and will strive to continue at the level of excellence required to maintain them.

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collections. This strong commercial base allows the City of Beachwood to be one of the few communities in northeast Ohio that gives a 100 percent income tax credit to its residents. This credit allows residents working in locations outside Beachwood to receive 100 percent credit for all income taxes paid to other taxing districts. This credit, in addition to the low property tax rates levied by the City, has continued to make Beachwood an attractive alternative to new homebuyers and proved to be a factor in the overall stability of the City's residential population. This strong commercial base should provide the City with funds to continue to provide the extraordinary level of services our residents have come to expect for several years to come.

The area of Beachwood known as Chagrin Highlands is the largest area of future commercial development in the City. Commercial development in this area promises to deliver a blend of custom designed corporate headquarters, multi-tenant buildings, hotels, restaurants and business service enterprises that will add to the tax base of the City. Of this 630-acre site, 408.25 acres are located in the City; the remaining acres are located in the following entities: Village of Highland Hills, Village of Orange and City of Warrensville Heights. Chagrin Highlands continues to be a focal point of future economic growth for the City.

The Cleveland Clinic, Eaton Corporation, and University Hospitals are the City's largest employers. These companies should provide the City with a strong core employment base for years to come.

In an effort to provide the highest level of services to its residential and business community the City has spent over \$77,030,000 over the past fifteen years on City streets, facilities and recreational areas. These improvements were financed with a combination of existing funds and debt. At year end, \$7,705,000 in general obligation bonds was outstanding.

The combination of good government and a superlative public-school system make the City of Beachwood an attractive place to live, work and play. Because of this, the City will be able to continually attract new residents and businesses, which will protect the City's income stream for years to come.

## **Long-term financial planning and relevant financial policies**

The City has remained focused on an extensive Master Plan which continues to be updated to meet the future growth of the City. These initiatives are designed to improve the general level of operations of the City and to enhance the level of services and benefits provided to its residential and commercial residents. Since 2001, residents have benefited from construction of two new fire stations, new recreational facilities, which include tennis courts, the Beachwood Family Aquatic Center, a park with walking/jogging trails, a

sledding hill, and a picnic pavilion, the expansion and remodeling of the existing Municipal Building and Community Center, a new Service Center Building and a new dog park.

Additionally, on an annual basis, the City budgets for road improvement projects. These projects are generally funded out of the capital improvement fund. The capital improvement fund is funded by excess reserves accumulated in the general fund that are transferred to the capital improvement fund on a periodic basis.

### **Major initiatives**

The City continues working on its economic development initiatives and strategic plan. In 2022, the City re-established the Economic Development Department and hired a full-time Economic Development Director. The City's economic development strategy is aimed at attracting, creating and retaining jobs as well as fostering a sustainable and resilient pro-growth culture within. The City's approach to this includes formalizing a strong business retention and expansion program, marketing, entrepreneurial and small business development, real-estate development, revitalization and land-reuse. This also involves looking closely at the need for economic development tools and determining the best and optimal uses for incentives.

Some of the most recent projects that are continuing to drive investment in the City include:

UH Ahuja Medical Center's expansion of University Hospitals, which broke ground during Spring 2020 and is expected to open to the public this summer 2023. The \$236 million project will bring new healthcare services and approximately 1,000 new jobs to the community through the addition of a new 215,495 square foot, four-story hospital building and a three-story, 78,185 square-foot sports medicine complex. This state-of-the-art medical facility will set a new standard for modern orthopedic care providing every athlete with access to the comprehensive, multidisciplinary care they need.

GE Current, on Science Park Drive, brought operations for their regional headquarters to the City, making an investment in renovating outdated office space and adding 115 employees.

Trailhead Bio-Systems has established their new headquarters in Commerce Park with the renovation of new laboratory space and facility build-out while adding 22 employees. The company has developed a revolutionary platform for generating specialized cells for use in therapeutic cell development, drug discovery and human disease modeling.

Porshe Beachwood has chosen a larger Beachwood location for its new expanded facility on 6.5 acres within the City. The new construction project is underway with the anticipation of building a 57,000 square foot building for their new showroom and office space to house 35 new jobs that will be added.

The former Double Tree site has received the City's support for a rezoning that would allow for the potential of a new multi-million dollar mixed-use redevelopment project. In an effort to support this project's advancement as one of the largest mixed-use projects in Northeast Ohio, the City has entered into a public-private partnership through a development agreement with the intent to support Tax Increment Financing for the project.

3800 Park East Drive has been renovated into 146 luxury suite apartments with an investment of \$13,000,000.

Several other projects are currently underway including the new UH Connor Whole Health Integrative Medical Center, and several office buildings have been bought by new owners wanting to make new investments in upgrading current office space to meet the demands within the City.

## **AWARDS**

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beachwood for its annual comprehensive financial report for the year ended December 31, 2021.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting standards and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGMENTS**

Successful preparation of a report of this scope depends upon the dedicated contribution of many employees. The sincere appreciation of those primarily responsible for its completion is extended to all contributors but especially to those employees in the Department of Finance who have spent their time and energy on various parts of the project and to the Local Government Services section of the Auditor of State's office for their assistance in helping the City prepare this report in conformity with generally accepted accounting principles (GAAP) and the requirements of the Government Finance Officers Association.

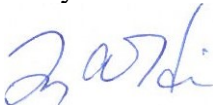
In addition, we would like to thank Beachwood City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

In closing, we would like to thank the residents and taxpayers of the City of Beachwood for entrusting us with the administration of their local government.

Respectfully submitted,



Justin Berns  
Mayor



Larry A. Heiser, CPA  
Director of Finance

**City of Beachwood, Ohio**

*City Officials - as of December 31, 2022*

ELECTED OFFICIALS

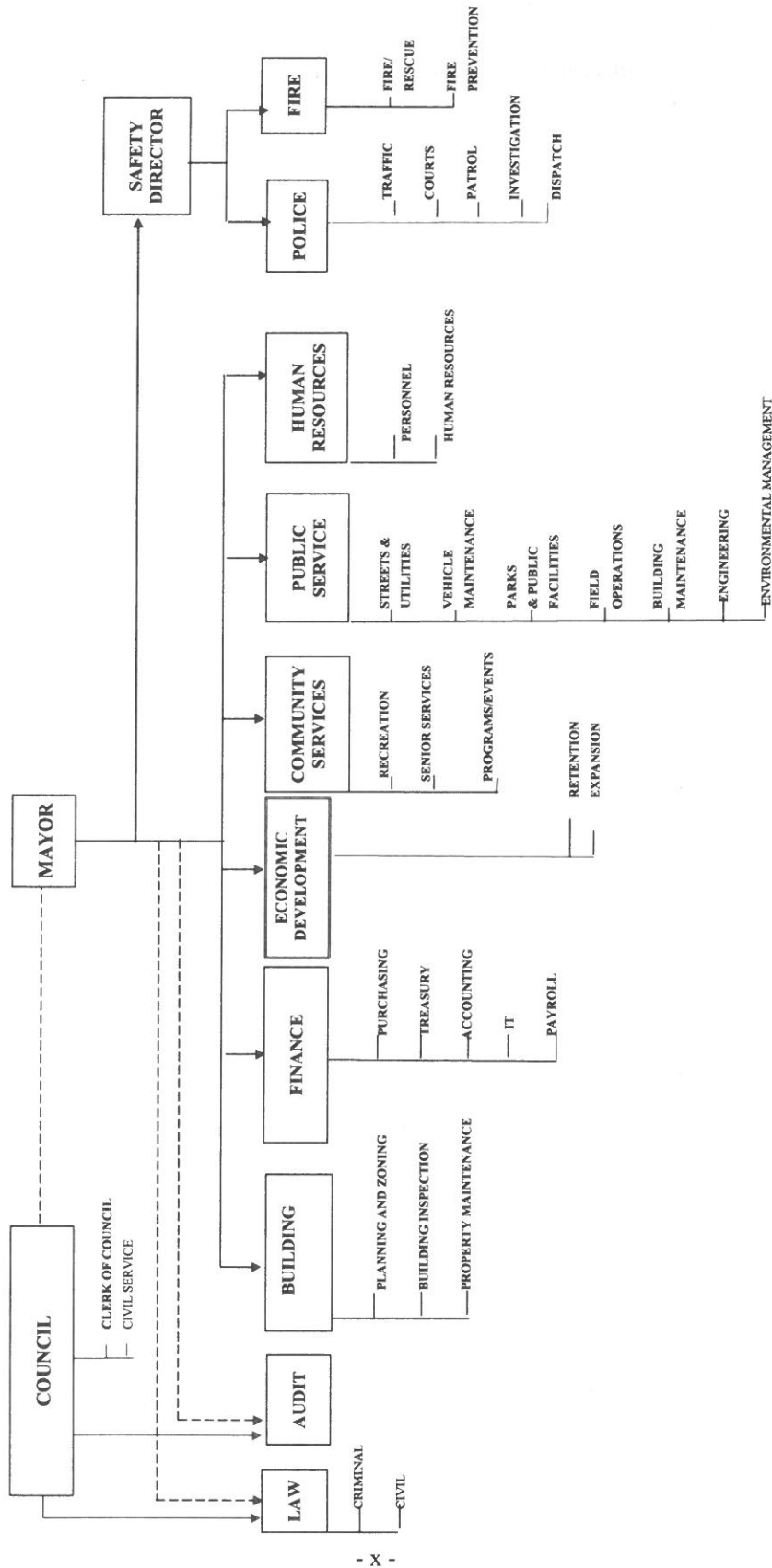
Mayor-Safety Director ..... Justin Berns  
President of Council ..... Alec Isaacson  
  
Council Member ..... Mike Burkons  
Council Member ..... Barbara Bellin Janovitz  
Council Member ..... Joshua Mintz  
Council Member ..... Danielle Shoykhet  
Council Member ..... Eric Synenberg  
Council Member ..... June Taylor

APPOINTED OFFICIALS

Finance Director ..... Larry Heiser  
Police Chief ..... Katherine McLaughlin  
Fire Chief ..... Steven Holtzman  
Service Director ..... Chris Arrietta  
Building Commissioner ..... William B. Griswold  
Clerk of Courts ..... Kelly Resek  
Community Service Director ..... Derek Schroeder  
Law Director ..... Stewart Hastings  
City Auditor ..... Harvey S. Rose  
Clerk of Council ..... Whitney Crook

# CITY OF BEACHWOOD

## Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Beachwood  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

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FINANCIAL SECTION





**Charles E. Harris & Associates, Inc.**

Certified Public Accountants

5510 Pearl Road Ste 102

Parma OH 44129-2550

Phone - (216) 575-1630

Fax - (216) 436-2411

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**INDEPENDENT AUDITOR'S REPORT**

City of Beachwood  
Cuyahoga County  
25325 Fairmount Blvd.  
Beachwood, OH 44122

To the Members of Council:

***Report on the Audit of the Financial Statements***

***Opinion***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of Beachwood, Cuyahoga County, Ohio as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General and Eaton Tax Increment Financing Funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Emphasis of Matter***

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding these matters.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***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 other post-employment benefit liabilities/assets and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

***Supplementary information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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.

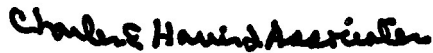
***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.



*Charles E. Harris & Associates, Inc.*  
July 30, 2023

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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The discussion and analysis of the City of Beachwood's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2022. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers are encouraged to consider the information presented here in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements to enhance their understanding of the City's financial performance.

### **Financial Highlights**

Key financial highlights for 2022 are as follows:

- The City's total net position increased by approximately \$4.6 million.
- At December 31, 2022, the unassigned fund balance for the General Fund was \$22.4 million and is available for spending at the City's discretion. The unassigned fund balance equals 51.2 percent of total current year general fund expenditures.
- Depreciable capital assets increased by \$1.7 million largely due to an investment in storm sewer upgrades.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements some of which focus on the City as a whole (government-wide) and some of which focus on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

### ***Reporting the City of Beachwood as a Whole***

#### *Statement of Net Position and the Statement of Activities*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question.

These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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From the Statement of Net Position, you can determine the City's current financial position by subtracting total liabilities and deferred inflows of resources (what the City owes) from total assets and deferred outflows of resources (what the City owns). Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. From the Statement of Activities, you can determine what the cost of governmental services are and how much of that cost is financed by taxpayers, where the City gets its money and how it is used, whether the City is better or worse off financially and why and will the City be able to finance services in the future. Other non-financial factors such as changes in the City's property tax base, income tax base and the condition of the City's capital assets should be considered to assess the overall financial health of the City.

### ***Reporting on the Most Significant Funds of the City of Beachwood***

#### ***Fund Financial Statements***

The fund financial statements which begin on page 18, provide detailed information about the City's major funds and include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements tell how City services charged to major funds were financed in the short-term as well as what remains for future spending. For the City of Beachwood, the most significant governmental funds are the general fund, Eaton TIF fund, bond retirement fund and capital improvements fund.

All of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are 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 City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the fund financial statements.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service fund accounts for revenues used to provide for workers' compensation. The proprietary fund uses the accrual basis of accounting.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

### **The City of Beachwood as a Whole**

#### ***Statement of Net Position***

As noted earlier, the Statement of Net Position looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2022 and 2021.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

**Table 1**  
**Net Position**

	Governmental Activities		
	2022	2021 Restated	Change
<b>Assets</b>			
Total Current and Other Assets	\$78,501,347	\$80,039,347	(\$1,538,000)
Net OPEB Asset	2,011,719	1,125,906	885,813
Nondepreciable Capital Assets	13,555,402	13,323,047	232,355
Depreciable Capital Assets, Net	72,688,689	70,996,269	1,692,420
Total Assets	166,757,157	165,484,569	1,272,588
<b>Deferred Outflows of Resources</b>			
Pension	10,617,425	5,164,349	5,453,076
OPEB	2,214,556	2,806,148	(591,592)
Total Deferred Outflows of Resources	12,831,981	7,970,497	4,861,484
<b>Liabilities</b>			
Total Current and Other Liabilities	4,216,308	2,714,659	(1,501,649)
Long-Term Liabilities:			
Due Within One Year	2,918,874	2,815,964	(102,910)
Due In More Than One Year			
Net Pension Liability	29,991,790	35,512,914	5,521,124
Net OPEB Liability	4,210,752	3,960,168	(250,584)
Other Amounts	13,534,893	13,743,043	208,150
Total Liabilities	54,872,617	58,746,748	3,874,131
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,354,701	3,352,207	(2,494)
Payments in Lieu of Taxes	4,630,696	4,604,786	(25,910)
Pension	15,851,394	8,615,606	(7,235,788)
OPEB	3,975,455	5,825,149	1,849,694
Total Deferred Inflows of Resources	27,812,246	22,397,748	(5,414,498)
<b>Net Position</b>			
Net Investment in Capital Assets	73,766,972	71,970,337	1,796,635
Restricted for:			
Debt Service	4,697,754	4,988,772	(291,018)
Unclaimed Monies	11,318	10,927	391
Streets	2,083,700	2,655,276	(571,576)
Eaton TIF	6,552,068	5,988,306	563,762
Pension Plan	18,873	13,083	5,790
Other Purposes	387,722	383,069	4,653
Unrestricted	9,385,868	6,300,800	3,085,068
Total Net Position	\$96,904,275	\$92,310,570	\$4,593,705

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2022. 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 pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City 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.

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 pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City’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 (asset) and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

The largest portion of the City’s net position reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The City’s financial position increased from 2021 to 2022 as indicated by the increase in total net position for governmental activities of \$4,593,705. If deferred inflows and liabilities related to pension and OPEB are added to total net position and net pension/OPEB assets and deferred outflows related to pension and OPEB are subtracted from total net position, the total net position for 2022 and 2021 respectively is \$136,089,966 and \$137,128,004. Under this scenario, the City’s financial position decreased by \$1,038,038.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2022 and 2021.



**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

**Table 2**  
**Change in Net Position**

	Governmental Activities		
	2022	2021 Restated	Change
<b>Revenues</b>			
<b>Program Revenues</b>			
Charges for Services	\$4,535,903	\$4,186,882	\$349,021
Operating Grants, Contributions and Interest	840,659	974,480	(133,821)
Capital Grants, Contributions and Assessments	348,969	76,000	272,969
<b>General Revenues</b>			
Property Taxes	3,022,256	3,297,578	(275,322)
Payments in Lieu of Taxes	4,604,785	4,573,517	31,268
Municipal Income Tax	38,956,945	37,712,799	1,244,146
Admission, Lodging and Franchise Taxes	1,181,522	903,742	277,780
Grants and Entitlements	520,414	448,799	71,615
Investment Earnings	(2,119,731)	164,483	(2,284,214)
Gain on Sale of Capital Assets	0	644,695	(644,695)
Other	452,870	227,510	225,360
<b>Total Revenues</b>	<b>52,344,592</b>	<b>53,210,485</b>	<b>(865,893)</b>
<b>Program Expenses</b>			
General Government	12,532,756	12,427,670	(105,086)
<b>Public Safety:</b>			
Police	9,536,053	9,083,614	(452,439)
Fire	9,446,988	9,310,350	(136,638)
Public Services	12,045,973	8,735,102	(3,310,871)
Culture and Recreation	2,801,675	2,131,856	(669,819)
Building and Community Development	1,022,337	899,829	(122,508)
Interest	365,105	342,631	(22,474)
<b>Total Expenses</b>	<b>47,750,887</b>	<b>42,931,052</b>	<b>(4,819,835)</b>
<b>Change in Net Position</b>	<b>4,593,705</b>	<b>10,279,433</b>	<b>(5,685,728)</b>
<b>Net Position Beginning of Year</b>	<b>92,310,570</b>	<b>82,031,137</b>	<b>10,279,433</b>
<b>Net Position End of Year</b>	<b>\$96,904,275</b>	<b>\$92,310,570</b>	<b>\$4,593,705</b>

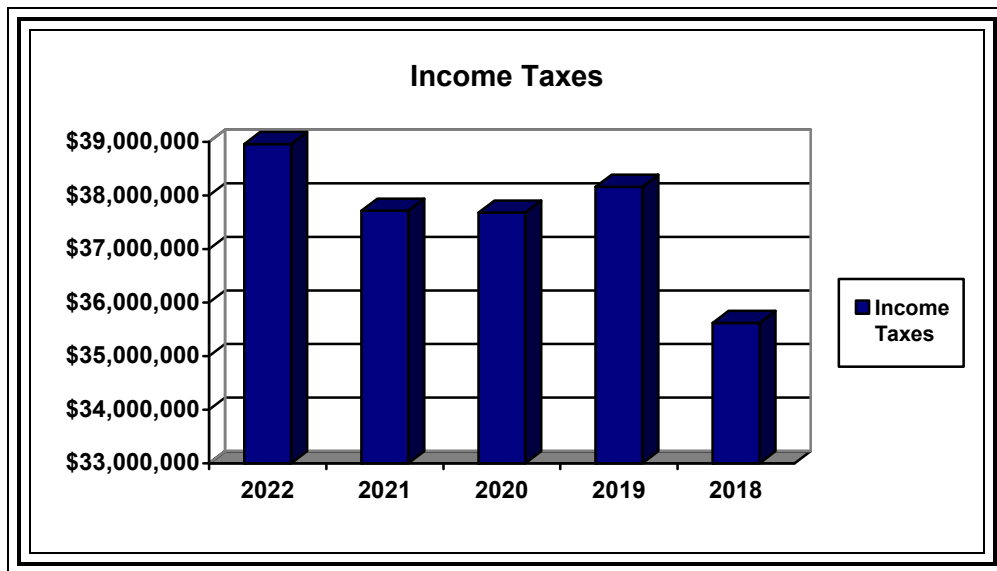
**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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***Governmental Activities***

Several revenue sources fund our governmental activities with income tax revenue being the largest source. The City levies a municipal income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside of the City. The City gives a 100 percent credit for taxes paid to another municipality on income earned outside of the City. On a full accrual basis, the City received \$38,956,945 in income tax collections or 74.4 percent of total 2022 revenue. Other significant sources of revenue include property taxes and payments in lieu of property taxes of which the City received \$3,022,256 and \$4,604,785 respectively in 2022.

In 2022, the City experienced an increase in income taxes (\$38,956,945 in 2022 compared to \$37,712,799 in 2021 – full accrual basis). The chart below identifies income tax receipts for the last five years.



**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

Table 3 presents a summary of governmental activity expenses and the net cost of providing these services (excluding general revenues).

**Table 3**  
**Governmental Activities**

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
General Government	\$12,532,756	(\$12,472,744)	\$12,427,670	(\$12,294,216)
Public Safety				
Police	9,536,053	(8,919,451)	9,083,614	(8,567,396)
Fire	9,446,988	(8,180,815)	9,310,350	(8,135,276)
Public Services	12,045,973	(10,896,097)	8,735,102	(7,806,767)
Culture and Recreation	2,801,675	(1,789,164)	2,131,856	(1,386,317)
Building and Community Development	1,022,337	598,020	899,829	838,913
Interest	365,105	(365,105)	342,631	(342,631)
<b>Total</b>	<b>\$47,750,887</b>	<b>(\$42,025,356)</b>	<b>\$42,931,052</b>	<b>(\$37,693,690)</b>

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services both increased in 2022.

Police and Fire account for approximately 39.8 percent of total 2022 expenses. Public services expenses accounts for approximately 25.2 percent of total 2022 expenses. A significant portion of these expenses can be attributed to salaries, employee benefits and infrastructure depreciation. General government expenses account for approximately 26.2 percent of total 2022 expenses. A significant portion of these expenses can be attributed to salaries, wages, employee benefits and payments related to tax increment financing agreements.

**The City's Funds**

Information about the City's major governmental funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting.

The general fund is the chief operating fund of the City. The total fund balances at December 31, 2022 and 2021 were \$36,871,589 and \$37,898,499 respectively.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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The Eaton TIF fund is used to account for and report all revenue and expenses related to the Eaton TIF agreement. The fund balance at December 31, 2022 was \$6,552,068 which is an increase of \$563,762 from the prior year.

The bond retirement fund is used to account for the accumulation of resources for, and the payment of, various types of debt principal, interest and related costs. The fund balances at December 31, 2022 and 2021 were \$712,986 and \$435,609 respectively. The bond retirement fund receives revenue through special assessments levied against various property owners. Additional monies are received from other financing sources such as the issuance of bonds and notes and transfers from the general fund.

The capital improvements fund is used to account for the flow of resources related to the construction, acquisition, and renovation of capital assets. This fund is funded with excess revenue from the general fund. The City strives to maintain a general fund balance which is 50 percent of general fund revenues. Any excess may be transferred to the capital improvements fund. The fund balances at December 31, 2022 and 2021 were \$12,316,560 and \$13,164,282 respectively.

### ***General Fund Budgeting Highlights***

The City'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. The legal level of control has been established by Council at the personal services and other object level within each fund. Any budgetary modifications at this level may only be made by ordinance of City Council. During the course of the year, the City amended its general fund budget several times. In addition to day-to-day budget monitoring, the Finance Director closely examines the budget with the preparation of the monthly financial statements.

For the general fund (excluding other financing sources and uses), final budgeted revenues were \$45,926,767; and actual revenue collections were \$49,317,930. Final budgeted appropriations were \$53,502,216 and actual expenditures were \$46,725,884. Part of the difference between budgeted appropriations and actual expenditures is due to reduced programming due to the pandemic. Additionally, appropriations are always conservatively budgeted on the high side which accounts for the difference between budgeted appropriations and actual expenditures.

### **Debt Administration and Capital Assets**

#### ***Debt***

The general obligation bonds will be paid out of the debt service fund with funds transferred from the general fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. See Note 16 to the basic financial statements for more information regarding the City's outstanding debt.

Table 4 summarizes outstanding debt at December 31, 2022 compared to December 31, 2021.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

**Table 4**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2022	2021
General Obligation Bonds	\$8,004,935	\$8,300,058
Special Assessment Bonds	4,039,209	4,295,437
<i>Totals</i>	\$12,044,144	\$12,595,495

***Capital Assets***

Table 5 compares capital assets as of December 31, 2022 to balances at December 31, 2021.

**Table 5**  
**Capital Assets at December 31**  
**(Net of Depreciation)**

	Governmental Activities	
	2022	2021
Land	\$12,882,641	\$12,882,641
Land Improvements	534,667	915,454
Buildings and Improvements	36,511,545	37,535,882
Furniture and Equipment	1,621,911	1,457,661
Vehicles	3,904,741	3,369,446
Construction in Progress	672,761	440,406
Infrastructure		
Streets	22,573,761	23,238,828
Sanitary Sewers	1,473,306	1,523,689
Storm Sewers	4,817,179	1,677,508
I-Net Fiber	730,265	747,034
Traffic Signals	521,314	530,767
<i>Totals</i>	\$86,244,091	\$84,319,316

Significant capital asset additions include Beachwood Boulevard and Community Drive storm sewer replacements

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2022*  
*Unaudited*

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With regards to the City's infrastructure, the Public Works Director maintains a comprehensive listing of all streets and sanitary and storm sewer lines. As part of the annual infrastructure program, the Public Works Director evaluates the condition of the streets and sewers and identifies which ones need to be repaired or replaced the following year. Over the last five years, the City has averaged \$2.7 million a year on infrastructure improvements.

See Note 11 to the basic financial statements for additional information on the City's capital assets.

**Current Financial Related Activities**

The City of Beachwood is strong financially and well managed, as evidenced by the Aaa bond rating awarded the City by Moody's Investor Service and the AAA rating awarded by Fitch Investors Service. The City has continued to maintain the highest standards of service to the Citizens of Beachwood while diligently planning expenses, to stay within the City's revenues. The City is well prepared to meet the challenges of the future.

**Contacting the City's Finance Department**

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Larry Heiser, CPA, Finance Director at the City of Beachwood, 25325 Fairmount Boulevard, Beachwood, Ohio 44122, 216-292-1913, or email at [larry.heiser@beachwoodohio.com](mailto:larry.heiser@beachwoodohio.com).

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**City of Beachwood, Ohio**

*Statement of Net Position*

*December 31, 2022*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$55,026,697
Accounts Receivable	100,013
Loans Receivable	478,947
Admission Taxes Receivable	28,940
Lodging Taxes Receivable	60,751
Franchise Taxes Receivable	30,054
Intergovernmental Receivable	628,758
Materials and Supplies Inventory	1,007,163
Prepaid Items	599,900
Property Taxes Receivable	3,548,407
Income Taxes Receivable	7,812,958
Payments in Lieu of Property Taxes Receivable	4,630,696
Special Assessments Receivable	4,548,063
Net OPEB Asset	2,011,719
Nondepreciable Capital Assets	13,555,402
Depreciable Capital Assets, Net	72,688,689
	<hr/>
<i>Total Assets</i>	166,757,157
<b>Deferred Outflows of Resources</b>	
Pension	10,617,425
OPEB	2,214,556
	<hr/>
<i>Total Deferred Outflows of Resources</i>	12,831,981
<b>Liabilities</b>	
Accounts Payable	594,358
Retainage Payable	315,044
Accrued Wages	768,047
Matured Compensated Absences	150,939
Intergovernmental Payable	415,241
Accrued Interest Payable	31,877
Deposits Held and Due to Others	87,941
Contracts Payable	622,075
Claims Payable	22,005
Unearned Revenue	1,208,781
Long-Term Liabilities:	
Due Within One Year	2,918,874
Due In More Than One Year	13,534,893
Net Pension Liability (See Note 13)	29,991,790
Net OPEB Liability (See Note 14)	4,210,752
	<hr/>
<i>Total Liabilities</i>	54,872,617
<b>Deferred Inflows of Resources</b>	
Property Taxes	3,354,701
Payments in Lieu of Taxes	4,630,696
Pension	15,851,394
OPEB	3,975,455
	<hr/>
<i>Total Deferred Inflows of Resources</i>	27,812,246
<b>Net Position</b>	
Net Investment in Capital Assets	73,766,972
Restricted for:	
Debt Service	4,697,754
Unclaimed Monies	11,318
Streets	2,083,700
Eaton TIF	6,552,068
Pension Plan	18,873
Other Purposes	387,722
Unrestricted	9,385,868
	<hr/>
<i>Total Net Position</i>	\$96,904,275

See accompanying notes to the basic financial statements



**City of Beachwood, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants Contributions and Interest	Capital Grants Contributions and Assessments	
<b>Governmental Activities</b>					
General Government	\$12,532,756	\$60,012	\$0	\$0	(\$12,472,744)
Public Safety:					
Police	9,536,053	586,980	29,622	0	(8,919,451)
Fire	9,446,988	1,256,043	10,130	0	(8,180,815)
Public Services	12,045,973	0	800,907	348,969	(10,896,097)
Culture and Recreation	2,801,675	1,012,511	0	0	(1,789,164)
Building and Community Development	1,022,337	1,620,357	0	0	598,020
Interest	365,105	0	0	0	(365,105)
<i>Total Governmental Activities</i>	<u>\$47,750,887</u>	<u>\$4,535,903</u>	<u>\$840,659</u>	<u>\$348,969</u>	<u>(42,025,356)</u>
<b>General Revenues</b>					
Property Taxes Levied for					
General Purposes					2,795,568
Police Pension					226,688
Payments in Lieu of Taxes					4,604,785
Municipal Income Taxes Levied for					
General Purposes					38,956,945
Admission, Lodging and Franchise Taxes					1,181,522
Grants and Entitlements not Restricted to Specific Programs					520,414
Investment Earnings					(2,119,731)
Other					452,870
<i>Total General Revenues</i>					<u>46,619,061</u>
Change in Net Position					4,593,705
<i>Net Position Beginning of Year - Restated (See Note 18)</i>					<u>92,310,570</u>
<i>Net Position End of Year</i>					<u>\$96,904,275</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2022*

	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$30,413,620	\$6,552,068	\$712,986	\$12,372,130	\$3,376,520	\$53,427,324
Property Taxes Receivable	3,282,277	0	0	0	266,130	3,548,407
Payments in Lieu of Taxes Receivable	0	4,351,268	0	0	279,428	4,630,696
Income Taxes Receivable	7,812,958	0	0	0	0	7,812,958
Loans Receivable	0	0	0	478,947	0	478,947
Admission Taxes Receivable	28,940	0	0	0	0	28,940
Lodging Taxes Receivable	60,751	0	0	0	0	60,751
Franchise Taxes Receivable	30,054	0	0	0	0	30,054
Accounts Receivable	100,013	0	0	0	0	100,013
Intergovernmental Receivable	223,711	0	0	113,921	291,126	628,758
Materials and Supplies Inventory	1,007,163	0	0	0	0	1,007,163
Prepaid Items	599,900	0	0	0	0	599,900
Special Assessments Receivable	0	0	4,520,789	27,274	0	4,548,063
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	99,373	0	0	0	0	99,373
<b>Total Assets</b>	<b>\$43,658,760</b>	<b>\$10,903,336</b>	<b>\$5,233,775</b>	<b>\$12,992,272</b>	<b>\$4,213,204</b>	<b>\$77,001,347</b>
<b>Liabilities</b>						
Accounts Payable	\$354,045	\$0	\$0	\$238,342	\$1,971	\$594,358
Retainage Payable	0	0	0	170,392	144,652	315,044
Accrued Wages	768,047	0	0	0	0	768,047
Matured Compensated Absences	150,939	0	0	0	0	150,939
Intergovernmental Payable	415,127	0	0	0	0	415,127
Contracts Payable	94,499	0	0	239,704	287,872	622,075
Unearned Revenue	0	0	0	0	1,208,781	1,208,781
Payable from Restricted Assets:						
Intergovernmental Payable	114	0	0	0	0	114
Deposits Held and Due to Others	87,941	0	0	0	0	87,941
<b>Total Liabilities</b>	<b>1,870,712</b>	<b>0</b>	<b>0</b>	<b>648,438</b>	<b>1,643,276</b>	<b>4,162,426</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	3,103,099	0	0	0	251,602	3,354,701
Payments in Lieu of Taxes	0	4,351,268	0	0	279,428	4,630,696
Unavailable Revenue	1,813,360	0	4,520,789	27,274	199,164	6,560,587
<b>Total Deferred Inflows of Resources</b>	<b>4,916,459</b>	<b>4,351,268</b>	<b>4,520,789</b>	<b>27,274</b>	<b>730,194</b>	<b>14,545,984</b>
<b>Fund Balances</b>						
Nonspendable	1,618,381	0	0	0	0	1,618,381
Restricted	0	6,552,068	712,986	0	1,837,359	9,102,413
Committed	1,272,598	0	0	4,624,655	2,375	5,899,628
Assigned	11,606,958	0	0	7,691,905	0	19,298,863
Unassigned	22,373,652	0	0	0	0	22,373,652
<b>Total Fund Balances</b>	<b>36,871,589</b>	<b>6,552,068</b>	<b>712,986</b>	<b>12,316,560</b>	<b>1,839,734</b>	<b>58,292,937</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$43,658,760</b>	<b>\$10,903,336</b>	<b>\$5,233,775</b>	<b>\$12,992,272</b>	<b>\$4,213,204</b>	<b>\$77,001,347</b>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 December 31, 2022*

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**Total Governmental Fund Balances** \$58,292,937

*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. 86,244,091

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

Delinquent Property Taxes	193,706
Intergovernmental	370,455
Special Assessments	4,548,063
Municipal Income Taxes	1,448,363
	6,560,587

Total 6,560,587

An internal service fund is used by management to charge the cost of workers compensation to individual funds/departments. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,477,995

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due. (31,877)

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

Net OPEB Asset	2,011,719
Deferred Outflows - Pension	10,617,425
Deferred Inflows - Pension	(15,851,394)
Net Pension Liability	(29,991,790)
Deferred Outflows - OPEB	2,214,556
Deferred Inflows - OPEB	(3,975,455)
Net OPEB Liability	(4,210,752)
	(39,185,691)

Total (39,185,691)

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

Special Assessment Bonds	(4,039,209)
General Obligation Bonds	(8,004,935)
Compensated Absences	(4,409,623)
	(16,453,767)

Total (16,453,767)

*Net Position of Governmental Activities* \$96,904,275

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2022*

	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$2,944,581	\$0	\$0	\$0	\$238,770	\$3,183,351
Municipal Income Taxes	39,240,681	0	0	0	0	39,240,681
Charges for Services	2,694,213	0	0	0	0	2,694,213
Fines, Licenses and Permits	1,810,142	0	0	0	16,369	1,826,511
Intergovernmental	487,688	0	0	348,969	809,545	1,646,202
Admission Taxes	339,037	0	0	0	0	339,037
Lodging Taxes	721,046	0	0	0	0	721,046
Franchise Taxes	121,439	0	0	0	0	121,439
Payments in Lieu of Taxes	0	4,326,920	0	0	277,865	4,604,785
Special Assessments	0	0	601,013	20,493	10,225	631,731
Settlements	0	0	0	0	4,954	4,954
Investment Earnings/Interest	(2,122,630)	0	0	0	20,525	(2,102,105)
Other	414,445	0	0	0	38,425	452,870
<i>Total Revenues</i>	<u>46,650,642</u>	<u>4,326,920</u>	<u>601,013</u>	<u>369,462</u>	<u>1,416,678</u>	<u>53,364,715</u>
<b>Expenditures</b>						
Current:						
General Government	8,938,710	3,763,158	5,913	0	277,865	12,985,646
Public Safety:						
Police	10,971,289	0	0	0	295,295	11,266,584
Fire	9,054,569	0	0	0	0	9,054,569
Public Services	10,585,571	0	0	0	109,975	10,695,546
Culture and Recreation	2,636,583	0	0	0	0	2,636,583
Building and						
Community Development	1,490,830	0	0	0	0	1,490,830
Capital Outlay	0	0	0	4,617,184	1,734,396	6,351,580
Debt Service:						
Principal Retirement	0	0	520,000	0	0	520,000
Interest	0	0	397,723	0	0	397,723
<i>Total Expenditures</i>	<u>43,677,552</u>	<u>3,763,158</u>	<u>923,636</u>	<u>4,617,184</u>	<u>2,417,531</u>	<u>55,399,061</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,973,090</u>	<u>563,762</u>	<u>(322,623)</u>	<u>(4,247,722)</u>	<u>(1,000,853)</u>	<u>(2,034,346)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	600,000	3,400,000	0	4,000,000
Transfers Out	(4,000,000)	0	0	0	0	(4,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(4,000,000)</u>	<u>0</u>	<u>600,000</u>	<u>3,400,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(1,026,910)</u>	<u>563,762</u>	<u>277,377</u>	<u>(847,722)</u>	<u>(1,000,853)</u>	<u>(2,034,346)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 18)</i>	<u>37,898,499</u>	<u>5,988,306</u>	<u>435,609</u>	<u>13,164,282</u>	<u>2,840,587</u>	<u>60,327,283</u>
<i>Fund Balances End of Year</i>	<u>\$36,871,589</u>	<u>\$6,552,068</u>	<u>\$712,986</u>	<u>\$12,316,560</u>	<u>\$1,839,734</u>	<u>\$58,292,937</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2022*

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**Net Change in Fund Balances - Total Governmental Funds** (\$2,034,346)

*Amounts reported for governmental activities in the  
statement of activities are different because*

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

Capital Asset Additions	7,347,189	
Current Year Depreciation	(5,027,677)	
Total	2,319,512	2,319,512

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (394,737)

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

Delinquent Property Taxes	(161,095)	
Intergovernmental	46,214	
Special Assessments	(621,506)	
Municipal Income Taxes	(283,736)	
Total	(1,020,123)	(1,020,123)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 520,000

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.

Accrued Interest on Bonds	1,267	
Amortization of Premium	31,351	
Total	32,618	32,618

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (446,111)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	3,636,870	
OPEB	51,298	
Total	3,688,168	3,688,168

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities.

Pension	101,542	
OPEB	1,842,033	
Total	1,943,575	1,943,575

The internal service fund used by management to charge the costs of workers' compensation to individual departments is not reported in the entity wide statement of activities. Governmental expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (14,851)

*Change in Net Position of Governmental Activities* \$4,593,705

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$3,318,095	\$3,318,095	\$2,944,581	(\$373,514)
Municipal Income Taxes	37,020,377	37,026,985	39,323,986	2,297,001
Charges for Services	2,242,300	2,242,300	2,704,656	462,356
Fines, Licenses and Permits	1,881,979	1,456,979	1,810,142	353,163
Intergovernmental	335,908	335,908	486,116	150,208
Admission Taxes	300,000	300,000	337,014	37,014
Lodging Taxes	420,000	420,000	714,145	294,145
Franchise Taxes	120,000	120,000	122,089	2,089
Investment Earnings/Interest	472,000	472,000	460,022	(11,978)
Other	234,500	234,500	415,179	180,679
<i>Total Revenues</i>	<u>46,345,159</u>	<u>45,926,767</u>	<u>49,317,930</u>	<u>3,391,163</u>
<b>Expenditures</b>				
Current:				
General Government	10,673,074	11,260,574	9,518,112	1,742,462
Public Safety:				
Police	13,076,374	13,076,374	11,464,079	1,612,295
Fire	10,368,803	10,368,803	9,547,721	821,082
Public Services	12,582,826	12,782,826	11,576,050	1,206,776
Culture and Recreation	3,263,005	3,331,405	2,718,383	613,022
Building and Community Development	3,162,234	2,682,234	1,901,539	780,695
<i>Total Expenditures</i>	<u>53,126,316</u>	<u>53,502,216</u>	<u>46,725,884</u>	<u>6,776,332</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,781,157)	(7,575,449)	2,592,046	(3,385,169)
<b>Other Financing Uses</b>				
Transfers Out	(4,000,000)	(4,000,000)	(4,000,000)	0
<i>Net Change in Fund Balance</i>	(10,781,157)	(11,575,449)	(1,407,954)	(3,385,169)
<i>Fund Balance Beginning of Year</i>	28,934,576	28,934,576	28,934,576	0
Prior Year Encumbrances Appropriated	2,697,760	2,697,760	2,697,760	0
<i>Fund Balance End of Year</i>	<u>\$20,851,179</u>	<u>\$20,056,887</u>	<u>\$30,224,382</u>	<u>(\$3,385,169)</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Eaton Tax Increment Financing Fund  
For the Year Ended December 31, 2022*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Payments in Lieu of Taxes	\$4,350,000	\$4,320,000	\$4,326,920	\$6,920
<b>Expenditures</b>				
Current:				
General Government	4,350,000	4,350,000	3,763,158	586,842
<i>Net Change in Fund Balance</i>	0	(30,000)	563,762	593,762
<i>Fund Balance Beginning of Year</i>	<u>5,988,306</u>	<u>5,988,306</u>	<u>5,988,306</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,988,306</u></u>	<u><u>\$5,958,306</u></u>	<u><u>\$6,552,068</u></u>	<u><u>\$593,762</u></u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*December 31, 2022*

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	<u>Internal Service</u>
<b>Assets</b>	
<i>Current Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$1,500,000
<b>Liabilities</b>	
<i>Current Liabilities</i>	
Claims Payable	<u>22,005</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$1,477,995</u></u>

See accompanying notes to the basic financial statements



**City of Beachwood, Ohio**  
*Statement of Revenues, Expenses and Changes in Fund Net Position*  
*Proprietary Fund*  
*For the Year Ended December 31, 2022*

	<u>Internal Service</u>
<b>Operating Revenues</b>	
Charges for Services	\$11,080
<b>Operating Expenses</b>	
Claims	25,931
<i>Change in Net Position</i>	(14,851)
<i>Net Position Beginning of Year</i>	1,492,846
<i>Net Position End of Year</i>	\$1,477,995

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Year Ended December 31, 2022*

	Internal Service
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$11,080
Cash Payments for Claims	(11,080)
<i>Increase in Cash and Cash Equivalents</i>	0
<i>Cash and Cash Equivalents Beginning of Year</i>	1,500,000
<i>Cash and Cash Equivalents End of Year</i>	\$1,500,000
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>	
Operating Loss	(\$14,851)
Adjustments:	
Increase in Claims Payable	14,851
<i>Net Cash Provided by Operating Activities</i>	\$0
See accompanying notes to the basic financial statements	

**City of Beachwood, Ohio**  
*Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2022*

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<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	\$2,375
Special Assessments Receivable	<u>1,409,657</u>
<i>Total Assets</i>	1,412,032
<b>Liabilities</b>	
Intergovernmental Payable	<u>1,412,032</u>
<b>Net Position</b>	
Restricted for Individuals, Organizations and Other Governments	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2022*

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<b>Additions</b>	
Fines and Forfeitures for Other Governments	\$190,781
Special Assessment Collections for Distribution	<u>14,445</u>
<i>Total Additions</i>	205,226
 <b>Deductions</b>	
Distributions to Other Governments	<u>205,226</u>
<i>Change in Fiduciary Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Description of the City and Reporting Entity**

The City was incorporated as a village in 1915 and became a city in 1960. The City of Beachwood (“The City”) is a charter municipal corporation, incorporated under the laws of the State of Ohio. The City operates under a “Mayor-Council” form of government. Elected officials include seven council members and a mayor. Council members are elected on an at-large basis at the regular municipal election in November of odd numbered years for a term of four years and serve staggered terms commencing on the first day of January after the election. The Mayor is elected every four years.

***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 City consists of all funds, departments, boards and agencies that are not legally separate from the City.

The Mayor is an elected official who has a fiduciary responsibility for the collection and disbursement of Mayor’s Court fees and fines.

In addition to Mayor’s Court, the City of Beachwood provides the following services: police, fire, emergency medical and ambulance, rubbish collection and street construction, maintenance and repair.

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

The City is associated with three jointly governed organizations. The Northeast Ohio Public Energy Council, the City of Beachwood, Ohio Energy Special Improvement District, Inc. and the Regional Income Tax Agency (RITA) are jointly governed organizations. These organizations are described in Note 7 of the Basic Financial Statements.

During 2020 the City formed the Beachwood Community Improvement Corporation (Corporation). The Corporation was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the City of Beachwood, Ohio, by acting as a designated agency of the City, for the industrial, commercial, distribution and research development in such political subdivision in accordance with Section 1724.10 of the Ohio Revised Code. As of December 31, 2022, the Corporation has not developed and adopted bylaws. Once the bylaws of the Corporation have been adopted, the City will complete the analysis in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and 61.

The City’s management believes these financial statements present all activities for which the City is financially accountable.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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

The financial statements of the City 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 City's accounting policies are described below.

**A. Basis of Presentation**

The City'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 City 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. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City'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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** During the year, the City segregates transactions related to certain City 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 City at this more detailed level. The focus of governmental fund financial statements is on major funds. 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 on the face of the proprietary fund statements. Fiduciary funds are reported by type.

**B. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The City's funds are classified as either governmental, proprietary or fiduciary.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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**General Fund** The general fund accounts for and reports all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Beachwood and/or the general laws of Ohio.

**Eaton Tax Increment Financing (TIF) Special Revenue Fund** The Eaton TIF special revenue fund is used to account for and report payments in lieu of taxes restricted for expenses related to the Eaton TIF agreement.

**Bond Retirement Debt Service Fund** The bond retirement debt service fund is used to account for and report transfers from the general fund and the collection of special assessments levied against benefited properties restricted for the payment of special assessment and general obligation bond principal, interest and related costs.

**Capital Improvements Fund** The capital improvements fund accounts for and reports transfers from the general fund and special assessments assigned for the acquisition, construction or improvement of major capital facilities.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed or assigned to a particular purpose.

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The City does not have any enterprise funds.

**Internal Service Fund** Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service fund reports on a self-insurance program for workers' compensation. (See Note 15)

**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 custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary funds are custodial funds. The City's custodial funds account for special assessments collected on behalf of the Energy Special Improvement District fund and the Village of Orange special assessment and the collection and distribution of court fines and forfeitures. The liabilities represent amounts where no further action is needed to release the assets to the beneficiaries.

**C. Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. For proprietary funds, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 3) Revenue from grants, entitlements and donations is recognized in the 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 year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.



**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
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Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income tax, state-levied locally shared taxes (including gasoline tax and motor vehicle license fees), fines, licenses and permits, interest, grants and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, 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 are explained in Note 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of 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 December 31, 2022, but which were levied to finance 2023 operations. These amounts have been recorded as a deferred inflow 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 City, unavailable revenue includes delinquent property taxes, special assessments, municipal income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Government Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Note 13 and 14)

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***E. Cash and Cash Equivalents***

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

The City has segregated bank accounts for monies held separate from the City's central bank account. These depository accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" and represent deposits.

During fiscal year 2022, investments were limited to commercial paper, negotiable certificate of deposits, municipal bonds, federal farm credit bonds, federal home loan bank bonds, federal home loan mortgage bonds, federal national mortgage association bonds, and STAR Ohio.

Investments are reported at fair value, which is based on quoted market price or current price, except for STAR Ohio. Gains (or losses) to fair value are booked annually as "investment earnings/interest." The fair value of investments declined during 2022, resulting in negative investment earnings/interest revenue of (\$2,119,731) in governmental activities.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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During 2022, the City 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 City measures their investment 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 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more is encouraged. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, all investment earnings/interest revenue are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the general fund during 2022 amounted to (\$2,122,630), which includes (\$947,263) assigned from other City funds.

Investments with an original maturity of three months or less and investments of the cash management pool are presented on the financial statements as cash equivalents.

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

***G. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

***H. Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent money set aside for unclaimed monies and deposits held.

***I. Bond Premium***

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees with 10 or more years of service or for employees age 50 or over regardless of years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements and vacation payouts. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees will be paid.

***K. Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the City 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.

***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 or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed:*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally legally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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.

**City of Beachwood, Ohio**  
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**Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City 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. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balances to cover a gap between estimated revenue and appropriations in 2023’s budget.

**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.

The City 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.

**L. Capital Assets**

The City’s only capital assets are general capital assets. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of \$5,000. 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.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	5 - 50 years
Furniture and Equipment	7 - 10 years
Vehicles	3 - 25 years
Infrastructure	8 - 50 years

The City’s infrastructure consists of streets, sanitary sewers, storm sewers and I-Net Fiber and includes infrastructure acquired prior to December 31, 1980.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***M. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, and 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 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. Bonds are recognized as a liability on the fund financial statements when due.

***N. Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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. Restricted net position for pension plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows. Net position restricted for other purposes include resources restricted for police, street lights and improvements to the Mayor's court.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

***O. Internal Activity***

Transfers between governmental activities are eliminated on the government wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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 interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

***P. Estimates***

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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***Q. Budgetary Process***

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the general fund. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of 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 amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other object level within each fund. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level, the Finance Director with the approval of the Mayor, has been authorized to allocate appropriations within each department and any object level other than personal services. Budgetary statements are presented beyond that legal level of control for information purposes only.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts on the certificate of estimated resources when the original and final appropriations were enacted by Council.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

***R. Pensions/Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension/OPEB assets/liabilities, deferred outflows of resources and deferred inflows of resources related to pension/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 plans. 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.

***S. Unearned Revenue***

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

***T. OneOhio Opioid Monies***

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of \$4,954 is reflected as settlements in the OneOhio special revenue fund in the accompanying financial statements.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***U. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for workers' compensation. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

**Note 3 - Receivables**

Receivables at December 31, 2022, consisted primarily of municipal income taxes, property, admissions, lodging, and franchise taxes, accounts, special assessments, loans, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. All receivables except property taxes, loans and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one-year amount to \$4,290,864 in the Bond Retirement Fund. At December 31, 2022 the amount of delinquent special assessments was \$97,334.

**A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022 on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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 later payment dates to be established. Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and collected in 2023 real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$4.00 per 1,000 of assessed value. The assessed values of real and public utility property upon which 2022 property tax receipts were based are as follows:

Real Property	\$907,750,800
Public Utility Property	<u>16,515,390</u>
Total Valuation	<u><u>\$924,266,190</u></u>

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Beachwood. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2022 and for which there is an enforceable legal claim. In the general and police pension funds, the portion of the receivable not levied to finance 2022 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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***B. Municipal Income Taxes***

The City levies a municipal income tax of 2.0 percent on all income earned within the City as well as on income of residents earned outside of the City. In the latter case, the City allows a credit of 100 percent of the tax on the income earned outside of the City and paid to another municipality. The Regional Income Tax Agency (RITA) administers and collects income taxes for the City. Payments are remitted monthly net of collection fees of approximately 2.0 percent. Employers within the City are required to withhold income tax on employee earnings and remit the tax to RITA at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax at least quarterly and file a final return annually. Income tax revenue is credited entirely to the general fund.

Pursuant to section 715.84 of the Ohio Revised Code, the City has created a Municipal Utility District (MUD) and has entered into a related cost sharing agreement with the City of Cleveland. The contract provides for the participants to distribute municipal income tax generated in the MUD among the contracting parties. According to the contract, after administrative fees, 50 percent will be allocated to the City of Cleveland. During 2022, the City collected \$4,889,270 in income tax revenue from the MUD and distributed \$2,444,635 to the City of Cleveland.

Pursuant to section 715.84 of the Ohio Revised Code, the City has created a Municipal Utility District (MUD) and has entered into a related cost sharing agreement with the City of Cleveland and the City of Warrensville Heights. The contract provides for the participants to distribute municipal income tax generated in the MUD among the contracting parties. According to the contract, after administrative fees, 25 percent will be allocated to the City of Cleveland and 25 percent will be allocated to the City of Warrensville Heights. During 2022, the City collected \$3,699,976 in income tax revenue from the MUD and distributed \$924,994 to the City of Cleveland and \$924,994 to the City of Warrensville Heights.

***C. Intergovernmental Receivable***

A summary of intergovernmental receivables follows:

Gasoline Tax	\$399,706
Homestead and Rollback	109,948
Other	119,104
Total	<u>\$628,758</u>

***D. Payments in Lieu of Taxes***

According to State law, the City has established several tax incremental financing districts within the City under which the City has granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the City to help pay the costs of these improvements. The amount of those payments generally reflects all or a portion of the property taxes which would have been paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvements have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.



**City of Beachwood, Ohio**  
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***E. Loans Receivable***

The City is reporting loans receivable of \$478,947 in the capital projects fund at December 31, 2022. This consists of one loan the City provided as a financing option for the sale of a building.

Property Sold	Maturity Year	Loan Receivable at 12/31/2022
23865 Mercantile Road	2028	\$478,947

**Note 4 - Budgetary Basis of Accounting**

While the City is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund and the Eaton TIF special revenue fund 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 the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments reported at cost (budget) rather than fair value (GAAP).
3. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
4. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement for the General fund and the Eaton TIF major special revenue fund.

Net Change in Fund Balance

	General	Eaton TIF
GAAP Basis	(\$1,026,910)	\$563,762
Net Adjustments for Revenue Accruals	268,096	0
Beginning Fair Value Adjustment for Investments	(280,179)	0
Ending Fair Value Adjustment for Investments	2,679,371	0
Net Adjustments for Expenditure Accruals	(80,350)	0
Encumbrances	(2,967,982)	0
Budget Basis	(\$1,407,954)	\$563,762

**City of Beachwood, Ohio**  
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**Note 5 – Interfund Transfers**

A transfer of \$600,000 and \$3,400,000 was made during calendar year 2022 from the general fund to the bond retirement and capital projects funds, respectively. The transfer was to move money for the payment of bonds and notes and the transfer to the capital projects fund was to move money for capital projects.

**Note 6 - Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Vacation leave is earned at rates which vary depending upon length of service and standard work week. Vacation leave may be carried over from year to year in an amount up to 150 percent of the annual accrual. Employees are paid for earned, unused vacation leave at the time of termination.

City employees earn sick leave at the rate of 4.6 hours per pay period during which the employee is in active pay status, and do not accrue for additional overtime hours worked. Sick leave accrual is based on an 80 hour pay period; employees who do not record 80 hours of work, approved paid leave, or a combination thereof receive a sick leave accrual proportionate to the number of hours worked and approved paid leave hours recorded. Firefighters who are on a 99.4 hour pay period receive sick leave at a rate of 5.7 hours per pay period. Annually, any employee who has in excess of 1,500 sick leave hours will receive a lump sum cash payment of 33 1/3 percent of the hours in excess of 1,500 hours. Upon death or retirement, employees with accumulated service time of 20 years or more or who qualify for retirement, at date of termination, under the Public Employees Retirement System or the Ohio Police and Fire Pension Fund, are entitled to convert 50 percent and 55 percent of their unused sick leave balance respectively, into a lump sum cash payment to be included in the final payroll warrant issued to the employee.

**Note 7 - Jointly Governed Organization**

***A. Northeast Ohio Public Energy Council***

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 235 communities who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Beachwood did not contribute to NOPEC during 2022. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

***B. City of Beachwood, Ohio Energy Special Improvement District Inc.***

The City of Beachwood, Ohio Energy Special Improvement District, Inc. (the “District”) is a jointly governed organization that is to enhance the value of properties within the District and improve the environment by developing and assisting in developing the District special energy improvement projects. For 2022, the City did not contribute to the District. For more information contact Sandra H. Noll, President, at SJL Management Group, 723 South Muller Road, Fairlawn, Ohio, 44333.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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**C. Regional Income Tax Agency**

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA's operation including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the council. For 2022, the City paid RITA approximately \$823,000 for income tax collection services.

**Note 8 - Deposits and Investments**

The City has chosen to follow State statutes and classify monies held by the City into three categories:

Active monies are public monies determined to be necessary to meet current demands upon the City treasury. Active monies must be maintained either as cash in the City 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 that Council 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 City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions 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.

Interim monies held by the City can be deposited or 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 obligations or securities 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. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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3. No-load money market mutual funds consisting exclusively of obligations described in (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;
  4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
  5. Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
  6. The State Treasurer's investment pool (STAROhio);
  7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
  8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days.

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.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the City had \$1,450 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

**Investments**

Investments are reported at fair value. As of December 31, 2022, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody's	Percent of Total Investments
Net Asset Value (NAV) Per Share:				
STAR Ohio	\$428,807	Less than 6 months	AAAm*	N/A
Fair Value - Level Two Inputs:				
Commercial Paper	4,816,829	Less than 1 year	P-1	9.06%
Municipal Bonds				
Akron Ohio CTFS	813,383	Less than 1 year	A1	1.53%
Akron Ohio Economic Development	148,512	Less than 1 year	A1	0.28%
Butler Hospital	154,311	Less than 5 years	A3	0.29%
Cloverleaf Ohio	183,131	Less than 5 years	A1	0.35%
Columbus Ohio	481,085	Less than 5 years	Aaa	0.91%
Hamilton Ohio	93,338	Less than 5 years	AA*	0.18%
John Carroll University	227,564	Less than 5 years	Aa3	0.43%
Lyndhurst Ohio BANS	1,195,740	Less than 6 months	NR	2.26%
Marion Ohio	620,001	Less than 5 years	AA*	1.17%
Montgomery Ohio	530,814	Less than 1 year	AA**	1.00%
New Albany Community Authority	385,100	Less than 1 year	AA3	0.73%
Springboro Ohio BANS	311,936	Less than 5 years	AA3	0.59%
Toledo Ohio	949,002	Less than 1 year	A2	1.79%
Toledo Ohio City School	250,958	Less than 1 year	Aa2	0.47%
Negotiable Certificate of Deposits	4,136,595	Less than five years	N/A	7.80%
Federal Farm Credit Bonds	2,715,520	Less than five years	Aaa	5.12%
Federal National Mortgage				
Association Bonds	1,744,158	Less than five years	Aaa	N/A
Federal Home Loan Mortgage Bonds	8,737,704	Less than five years	Aaa	16.48%
Federal Home Loan Bank Bonds	24,096,182	Less than five years	Aaa	45.45%
Total Fair Value - Level Two Inputs	<u>52,591,863</u>			
Total Investments	<u>\$53,020,670</u>			

\*Standard & Poor's rating

\*\*Fitch rating

NR = Not Rated

The City 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 above chart identifies the City's recurring fair value measurements as of December 31, 2022.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
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The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet anticipated cash flow requirements.

**Credit Risk** The Moody's ratings of the City's investments are listed in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy does not address credit risk.

**Concentration of Credit Risk** The City places no limit on the amount it may invest in any one issuer.

## **Note 9 - Contingencies**

### **A. Grants**

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require 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 effect on the overall financial position of the City at December 31, 2022.

### **B. Litigation**

The City is a party to various legal proceedings seeking damages. The City management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

## **Note 10 – Tax Abatements**

### **Community Reinvestment Area (CRA)**

Pursuant to Ohio Revised Code sections 3735.65 through 3735.70, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 50 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. For 2022, the value of the taxes being abated was \$16,091.

**City of Beachwood, Ohio**  
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For the Year Ended December 31, 2022

**Note 11 – Capital Assets**

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated</i>				
Land	\$12,882,641	\$0	\$0	\$12,882,641
Construction in Progress	440,406	672,761	(440,406)	672,761
<i>Total Capital Assets, not being depreciated</i>	<u>13,323,047</u>	<u>672,761</u>	<u>(440,406)</u>	<u>13,555,402</u>
<i>Capital Assets, being depreciated</i>				
Land Improvements	7,968,645	0	0	7,968,645
Buildings and Improvements	54,674,260	90,245	(5,696)	54,758,809
Furniture and Equipment	6,627,331	439,165	(162,790)	6,903,706
Vehicles	11,080,413	1,344,128	(841,261)	11,583,280
Infrastructure				
Streets	69,570,500	1,876,357	(1,293,960)	70,152,897
Sanitary Sewers	2,519,136	0	0	2,519,136
Storm Sewers	2,561,429	3,364,939	(193,377)	5,732,991
I-Net Fiber	838,433	0	0	838,433
Traffic Signals	614,055	0	0	614,055
<i>Total Capital Assets, being depreciated</i>	<u>156,454,202</u>	<u>7,114,834</u>	<u>(2,497,084)</u>	<u>161,071,952</u>
Less Accumulated Depreciation				
Land Improvements	(7,053,191)	(380,787)	0	(7,433,978)
Buildings and Improvements	(17,138,378)	(1,110,891)	2,005	(18,247,264)
Furniture and Equipment	(5,169,670)	(274,304)	162,179	(5,281,795)
Vehicles	(7,710,967)	(723,009)	755,437	(7,678,539)
Infrastructure				
Streets	(46,331,672)	(2,414,720)	1,167,256	(47,579,136)
Sanitary Sewers	(995,447)	(50,383)	0	(1,045,830)
Storm Sewers	(883,921)	(47,361)	15,470	(915,812)
I-Net Fiber	(91,399)	(16,769)	0	(108,168)
Traffic Signals	(83,288)	(9,453)	0	(92,741)
<i>Total Accumulated Depreciation</i>	<u>(85,457,933)</u>	<u>(5,027,677) *</u>	<u>2,102,347</u>	<u>(88,383,263)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>70,996,269</u>	<u>2,087,157</u>	<u>(394,737)</u>	<u>72,688,689</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$84,319,316</u>	<u>\$2,759,918</u>	<u>(\$835,143)</u>	<u>\$86,244,091</u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
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\*Depreciation expense was charged to governmental activities as follows:

General Government	\$545,688
Public Safety:	
Police	183,969
Fire	562,246
Public Services	3,253,093
Culture and Recreation	461,444
Building and Community Development	<u>21,237</u>
Total Depreciation Expense	<u><u>\$5,027,677</u></u>

**Note 12 – Fund Balances**

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



**City of Beachwood, Ohio**  
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Fund Balances	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Activities
<b>Nonspendable:</b>						
Prepays	\$599,900	\$0	\$0	\$0	\$0	\$599,900
Inventory	1,007,163	0	0	0	0	1,007,163
Unclaimed Funds	11,318	0	0	0	0	11,318
<i>Total Nonspendable</i>	<u>1,618,381</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,618,381</u>
<b>Restricted for:</b>						
Street Maintenance	0	0	0	0	1,474,786	1,474,786
Mayor's Court						
Computers	0	0	0	0	51,478	51,478
Drug and Alcohol Enforcement	0	0	0	0	180,389	180,389
TIF Agreements	0	6,552,068	0	0	0	6,552,068
Police Pension	0	0	0	0	33,782	33,782
Street Lighting	0	0	0	0	96,924	96,924
Bond Retirement	0	0	712,986	0	0	712,986
<i>Total Restricted</i>	<u>0</u>	<u>6,552,068</u>	<u>712,986</u>	<u>0</u>	<u>1,837,359</u>	<u>9,102,413</u>
<b>Committed to:</b>						
Capital Improvement	0	0	0	4,624,655	0	4,624,655
Dog Park	0	0	0	0	2,375	2,375
General Government	129,498	0	0	0	0	129,498
Police	203,647	0	0	0	0	203,647
Fire	305,681	0	0	0	0	305,681
Service	622,527	0	0	0	0	622,527
Recreation	2,870	0	0	0	0	2,870
Building	8,375	0	0	0	0	8,375
<i>Total Committed</i>	<u>1,272,598</u>	<u>0</u>	<u>0</u>	<u>4,624,655</u>	<u>2,375</u>	<u>5,899,628</u>
<b>Assigned to:</b>						
Capital Improvement	0	0	0	7,691,905	0	7,691,905
Purchases on Order for:						
Professional Services	60,169	0	0	0	0	60,169
Utilities	177,438	0	0	0	0	177,438
Pension	275,763	0	0	0	0	275,763
Gasoline	32,934	0	0	0	0	32,934
Vehicle Maintenance	24,461	0	0	0	0	24,461
Other	662,151	0	0	0	0	662,151
2023 Appropriations Exceed						
Estimated Revenue	10,374,042	0	0	0	0	10,374,042
<i>Total Assigned</i>	<u>11,606,958</u>	<u>0</u>	<u>0</u>	<u>7,691,905</u>	<u>0</u>	<u>19,298,863</u>
<b>Unassigned</b>	<u>22,373,652</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,373,652</u>
<b>Total Fund Balances</b>	<u>\$36,871,589</u>	<u>\$6,552,068</u>	<u>\$712,986</u>	<u>\$12,316,560</u>	<u>\$1,839,734</u>	<u>\$58,292,937</u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 13 - Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability /Net OPEB Liability (Asset)***

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable*. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. The member-directed plan is a defined contribution plan.

**City of Beachwood, Ohio**  
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Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost of living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**City of Beachwood, Ohio**  
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Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the combined plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2022 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2022 Actual Contribution Rates</b>	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

**City of Beachwood, Ohio**  
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For 2022, the City's contractually required contribution was \$1,504,011 for the traditional plan, \$8,084 for the combined plan and \$5,348 for the member-directed plan. Of these amounts, \$168,696 is reported as an intergovernmental payable for the traditional plan, \$902 for the combined plan, and \$596 for the member-directed plan.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Annual Comprehensive Financial Report referenced for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries under optional plans, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

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Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
<b>2022 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 <b>2022 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$2,124,775 for 2022. Of this amount, \$235,090 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 for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City’s proportion of the net pension liability was based on the City’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 of the City’s defined benefit pension plans:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Proportion of the Net Pension Liability:				
Current Measurement Date	0.06886500%	0.00000000%	0.38416260%	
Prior Measurement Date	0.06775200%	0.00000000%	0.37377120%	
Change in Proportionate Share	0.00111300%	0.00000000%	0.01039140%	
Proportionate Share of the:				
Net Pension Liability	\$5,991,533	\$0	\$24,000,257	\$29,991,790
Pension Expense	(\$1,645,719)	\$2,294	\$1,541,883	(\$101,542)

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2022 pension expense for the member-directed defined contribution plan was \$3,820. The aggregate pension expense for all pension plans was a negative \$97,722 for 2022.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$305,440	\$0	\$692,027	\$997,467
Changes of assumptions	749,235	0	4,386,216	5,135,451
Changes in proportion and differences between City contributions and proportionate share of contributions	137,724	10,789	699,124	847,637
City contributions subsequent to the measurement date	<u>1,504,011</u>	<u>8,084</u>	<u>2,124,775</u>	<u>3,636,870</u>
Total Deferred Outflows of Resources	<u><u>\$2,696,410</u></u>	<u><u>\$18,873</u></u>	<u><u>\$7,902,142</u></u>	<u><u>\$10,617,425</u></u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$131,409	\$0	\$1,247,684	\$1,379,093
Net difference between projected and actual earnings on pension plan investments	7,126,712	0	6,292,496	13,419,208
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>322,901</u>	<u>0</u>	<u>730,192</u>	<u>1,053,093</u>
Total Deferred Inflows of Resources	<u><u>\$7,581,022</u></u>	<u><u>\$0</u></u>	<u><u>\$8,270,372</u></u>	<u><u>\$15,851,394</u></u>

\$3,636,870 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
2023	(\$1,167,274)	\$2,294	(\$135,756)	(\$1,300,736)
2024	(2,411,876)	2,294	(1,726,823)	(4,136,405)
2025	(1,675,778)	2,294	(715,767)	(2,389,251)
2026	(1,133,695)	2,294	(472,021)	(1,603,422)
2027	0	1,125	557,362	558,487
Thereafter	<u>0</u>	<u>488</u>	<u>0</u>	<u>488</u>
Total	<u><u>(\$6,388,623)</u></u>	<u><u>\$10,789</u></u>	<u><u>(\$2,493,005)</u></u>	<u><u>(\$8,870,839)</u></u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2022, then 2.05 percent, simple	3.0 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented as follows:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	0.5 percent, simple through 2021, then 2.15 percent, simple	0.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 15 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.



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For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	<u>4.21%</u>

**Discount Rate** The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and

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those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate*** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
<b>City's proportionate share of the net pension liability (asset):</b>			
OPERS Traditional Plan	\$15,796,942	\$5,991,533	(\$2,167,870)

***Actuarial Assumptions – OP&F***

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and 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. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented as follows.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. 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. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized as follows:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00 %	0.00 %
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
<b>Total</b>	<b>125.00 %</b>	

Note: Assumptions are geometric.

\* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** For 2021, 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 longer-term assumed investment rate of return of 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, a 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 City'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 the 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%)
City's proportionate share of the net pension liability	\$35,592,047	\$24,000,257	\$14,347,159

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**Note 14 – Defined Benefit OPEB Plans**

See Note 13 for a description of the net OPEB liability (asset).

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the

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definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,528 for 2022. Of this amount, \$170 is reported as an intergovernmental payable.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly

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reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**Funding Policy** – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded. The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$49,770 for 2022. Of this amount, \$5,503 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.064228%	0.3841626%	
Prior Measurement Date	<u>0.063197%</u>	<u>0.3737712%</u>	
Change in Proportionate Share	<u>0.001031%</u>	<u>0.0103914%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$0	\$4,210,752	\$4,210,752
Net OPEB Asset	\$2,011,719	\$0	\$2,011,719
OPEB Expense	(\$2,117,245)	\$275,212	(\$1,842,033)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$0	\$191,552	\$191,552
Changes of assumptions	0	1,863,808	1,863,808
Changes in proportion and differences between City contributions and proportionate share of contributions	17,346	90,552	107,898
City contributions subsequent to the measurement date	<u>1,528</u>	<u>49,770</u>	<u>51,298</u>
Total Deferred Outflows of Resources	<u>\$18,874</u>	<u>\$2,195,682</u>	<u>\$2,214,556</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$305,147	\$556,510	\$861,657
Changes of assumptions	814,321	489,054	1,303,375
Net difference between projected and actual earnings on OPEB plan investments	959,046	380,371	1,339,417
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>215,798</u>	<u>255,208</u>	<u>471,006</u>
Total Deferred Inflows of Resources	<u>\$2,294,312</u>	<u>\$1,681,143</u>	<u>\$3,975,455</u>

\$51,298 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



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Year Ending December 31:	OPERS	OP&F	Total
2023	(\$1,489,867)	\$106,380	(\$1,383,487)
2024	(439,818)	49,910	(389,908)
2025	(209,547)	78,097	(131,450)
2026	(137,734)	39,129	(98,605)
2027	0	91,837	91,837
Thereafter	0	99,416	99,416
Total	<u>(\$2,276,966)</u>	<u>\$464,769</u>	<u>(\$1,812,197)</u>

**Actuarial Assumptions - OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00%	3.45%

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**Discount Rate** A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate** The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
City’s proportionate share of the net OPEB (asset)	(\$1,183,080)	(\$2,011,719)	(\$2,699,503)

**Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City’s proportionate share of the net OPEB (asset)	(\$2,033,458)	(\$2,011,719)	(\$1,985,930)

**Actuarial Assumptions – OP&F**

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about

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future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

**Discount Rate** For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December 31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 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 (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$5,293,010	\$4,210,752	\$3,321,135

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**Note 15 - Risk Management**

***A. Property and Liability***

The City 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 2022, the City contracted with USI Insurance Services for various types of insurance as follows:

Type	Coverage
Blanket Coverage - All Property	\$96,729,449
General Liability	15,000,000
Automobile - Comprehensive	15,000,000
Law Enforcement Liability	15,000,000
Public Officials	15,000,000
Cyber Liability	15,000,000

Settled claims have not exceeded this coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

***B. Workers' Compensation***

Effective July 1, 2020, the City switched from self-insurance for workers' compensation to the Ohio Bureau of Workers' Compensation program. The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Prior to July 1, 2020, the City was self-insured for worker's compensation coverage. The City accounts for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). Sedgwick Claims Management Services is the City's third-party administrator. The retention point for excess insurance is \$450,000, which is through Midwest Employers. The insurance will cover the City for each incident that goes beyond \$450,000. The claims liability of \$22,005 reported in the fund as December 31, 2022, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claim liability amount for 2021 and 2022 were:

	Beginning of Year	Claims	Payments	Change in Workers' Compensation Estimate	End of Year
2021	\$495,820	\$136,221	\$136,221	-\$488,666	\$7,154
2022	7,154	25,931	11,080	0	22,005

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**Note 16 - Long-Term Obligations**

The changes in long-term obligations during the year were as follows:

	Outstanding 12/31/2021	Additions	(Reductions)	Outstanding 12/31/2022	Amounts Due In One Year
<b>Special Assessment Bonds with Governmental Commitment</b>					
\$5,315,000 2015 3.000% - 4.000%					
Eaton Boulevard Improvements	\$4,075,000	\$0	(\$240,000)	\$3,835,000	\$245,000
Premium on Eaton Boulevard Bonds	220,437	0	(16,228)	204,209	0
<b>Total Eaton Boulevard Bonds</b>	<b>4,295,437</b>	<b>0</b>	<b>(256,228)</b>	<b>4,039,209</b>	<b>245,000</b>
<b>General Obligation Bonds</b>					
\$9,000,000 2017 2.000% - 4.000%					
Fire Station #2 Bonds	7,985,000	0	(280,000)	7,705,000	285,000
Premium on Fire Station #2 Bonds	315,058	0	(15,123)	299,935	0
<b>Total Fire Station #2 Bonds</b>	<b>8,300,058</b>	<b>0</b>	<b>(295,123)</b>	<b>8,004,935</b>	<b>285,000</b>
Net Pension Liability					
OPERS	10,032,596	0	(4,041,063)	5,991,533	0
OP&F	25,480,318	0	(1,480,061)	24,000,257	0
<i>Total Net Pension Liability</i>	35,512,914	0	(5,521,124)	29,991,790	0
Net OPEB Liability					
OP&F	3,960,168	250,584	0	4,210,752	0
Compensated Absences	3,963,512	3,447,935	(3,001,824)	4,409,623	2,388,874
<b>Total General Long-term Obligations</b>	<b>\$56,032,089</b>	<b>\$3,698,519</b>	<b>(\$9,074,299)</b>	<b>\$50,656,309</b>	<b>\$2,918,874</b>

General obligation bonds will be paid from the bond retirement fund from transfers from the general fund. The special assessment bonds are backed by the full faith and credit of the City and will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The compensated absences liability will be paid from the general fund. There is no repayment schedule for the net pension and net OPEB liabilities. However, employer pension contributions are made from the general fund. For additional information related to the net pension liability see Note 13 and related to the net OPEB liability see Note 14.

In 2015, the City issued \$5,315,000 in special assessment bonds at interest rates varying from 3.00 percent to 4.00 percent. The bond issue included \$4,385,000 in serial bonds and \$930,000 in term bonds.

The term bonds maturing on December 1, 2033 are subject to mandatory sinking fund redemption prior to maturity at price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective amounts as follows:

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Year	Amount
2030	\$300,000
2031	310,000
2032	320,000

The term bonds maturing on or after December 1, 2026 are subject to prior redemption at the option of the City, either in whole or in part, on any date on or after December 1, 2025, at 100 percent of par plus interest accrued to the redemption date.

On October 12, 2017, the City issued \$9,000,000 in general obligation bonds for the purpose of building a new Fire Station #2. The bonds were sold at a premium of \$378,070 and have varying interest rates between 2.00 percent and 4.00 percent. The bonds were issued for a 25 year period with final maturity on December 1, 2042. The bond issue included \$6,575,000 in serial bonds and \$2,425,000 in term bonds.

The term bonds maturing on December 1, 2039 and December 1, 2042 are subject to mandatory sinking fund redemption prior to maturity at price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective amounts as follows:

Year	Amount
2038	\$450,000
2039	470,000
2040	485,000
2041	500,000
2042	520,000

The term bonds maturing on or after December 1, 2026 are subject to prior redemption at the option of the City, either in whole or in part, on any date on or after December 1, 2025, at 100 percent of par plus interest accrued to the redemption date.

The City's legal debt margin was \$90,055,936 at December 31, 2022. Principal and interest requirements to retire outstanding general obligation and special assessment bonds at December 31, 2022, are as follows:

Year	General Obligation Bonds			
	Current Serial Bonds		Current Term Bonds	
	Principal	Interest	Principal	Interest
2023	\$285,000	\$252,463	\$0	\$0
2024	290,000	246,763	0	0
2025	300,000	240,962	0	0
2026	300,000	234,962	0	0
2027	315,000	222,962	0	0
2028-2032	1,750,000	927,213	0	0
2033-2037	2,040,000	637,112	0	0
2038-2042	0	0	2,425,000	252,388
Total	\$5,280,000	\$2,762,437	\$2,425,000	\$252,388



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Year	Special Assessment Bonds			
	Current Serial Bonds		Current Term Bonds	
	Principal	Interest	Principal	Interest
2023	\$245,000	\$130,060	\$0	\$0
2024	255,000	120,260	0	0
2025	260,000	110,060	0	0
2026	270,000	99,660	0	0
2027	275,000	88,860	0	0
2028-2032	580,000	152,670	930,000	161,420
2033-2035	1,020,000	70,780	0	0
Total	\$2,905,000	\$772,350	\$930,000	\$161,420

**Note 17 – Significant Commitments**

***Encumbrances***

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Fund	Encumbrances at 12/31/2022
General	\$2,967,982
Capital Improvement	5,506,150
Other Governmental Funds	847,533
Total	\$9,321,665

***Contractual Commitments***

At December 31, 2022, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2022 Road program	\$2,589,248	\$1,301,872	\$1,287,376
Beachwood Blvd. Storm Sewers	1,696,735	1,484,998	211,737
Green-Bryden Storm Sewers	1,477,848	48,529	1,429,319
Broadcasting system upgrade	61,730	0	61,730
Audio visual system upgrade	65,292	0	65,292
Total	\$5,890,853	\$2,835,399	\$3,055,454

The amounts remaining on these contracts were encumbered at year end. The amounts of \$622,075 and \$315,044 in contracts and retainage payable for governmental activities, respectively, have been capitalized.

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**Note 18 – Changes in Accounting Principles and Restatement of Fund Balances and Net Position**

***Changes in Accounting Principles***

For 2022, the City implemented the Governmental Accounting Standards Board's (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use the lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City did not have any contracts that met the GASB 87 definition of a lease.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91, and GASB 97 were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

***Restatement of Fund Balances and Net Position***

During 2022, it was determined unearned revenue was understated in 2021. This correction is needed because the American Rescue Plan Act intergovernmental revenue exceeding the total expenditures should have been considered unearned revenue rather than being included in fund balance. The restatement had the following effect on fund balance as of December 31, 2021:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2022*

	General Fund	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Fund Balances at December 31, 2021	\$37,898,499	\$5,988,306	\$435,609	\$13,164,282	\$3,447,619	\$60,934,315
Adjustment for Unearned Revenue	0	0	0	0	(607,032)	(607,032)
Restated Fund Balances at December 31, 2021	<u>\$37,898,499</u>	<u>\$5,988,306</u>	<u>\$435,609</u>	<u>\$13,164,282</u>	<u>\$2,840,587</u>	<u>\$60,327,283</u>

The restatement had the following effect on net position as of December 31, 2021:

	<u>Governmental Activities</u>
Net Position December 31, 2021	<u>\$92,917,602</u>
Adjustment for Unearned Revenue	<u>(607,032)</u>
Restated Net Position December 31, 2021	<u>\$92,310,570</u>

**Note 19 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines. The City’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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## Required Supplementary Information

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**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Nine Years (1)*

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.0688650%	0.0677520%	0.0747170%	0.0769140%
City's Proportionate Share of the Net Pension Liability	\$5,991,533	\$10,032,596	\$14,768,322	\$21,065,185
City's Covered Payroll	\$9,994,364	\$9,542,529	\$10,514,743	\$10,384,843
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	140.45%	202.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.10%	74.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.0754730%	0.0751760%	0.0753490%	0.0731160%	0.0731160%
\$11,840,252	\$17,071,192	\$13,051,398	\$8,818,607	\$8,619,424
\$9,977,746	\$9,718,925	\$9,370,217	\$8,964,117	\$8,465,315
118.67%	175.65%	139.29%	98.38%	101.82%
84.66%	77.25%	81.08%	86.45%	86.36%

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Asset*  
*Ohio Public Employees Retirement System - Combined Plan*  
*Last Five Years (1)*

	2022	2021	2020
City's Proportion of the Net Pension Asset	0.0000000%	0.0000000%	0.0005160%
City's Proportionate Share of the Net Pension Asset	\$0	\$0	\$1,077
City's Covered Payroll	\$0	\$0	\$2,293
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	0.00%	-46.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	169.88%	157.67%	145.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.



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<u>2019</u>	<u>2018</u>
0.0036990%	0.0043510%
\$4,137	\$5,925
\$15,821	\$17,823
-26.15%	-33.24%
126.64%	137.28%

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability (Asset)*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Six Years (1)*

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability/Asset	0.0642280%	0.0631970%	0.0697890%	0.0719970%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$2,011,719)	(\$1,125,906)	\$9,639,673	\$9,386,708
City's Covered Payroll	\$10,015,739	\$9,557,604	\$10,546,611	\$10,439,039
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.40%	89.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.0707400%	0.0714800%
\$7,681,843	\$7,219,723
\$10,023,869	\$9,879,383
76.64%	73.08%
54.14%	81.08%

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Nine Years (1)*

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.3841626%	0.3737712%	0.3878142%	0.3844880%
City's Proportionate Share of the Net Pension Liability	\$24,000,257	\$25,480,318	\$26,125,236	\$31,384,382
City's Covered Payroll	\$9,739,949	\$9,094,166	\$9,128,284	\$8,624,751
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	246.41%	280.18%	286.20%	363.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%	63.07%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.3865530%	0.3933340%	0.3918830%	0.3699959%	0.3699959%
\$23,724,502	\$24,913,381	\$25,210,108	\$19,167,330	\$18,019,961
\$8,350,537	\$8,411,080	\$7,905,342	\$7,288,792	\$7,185,479
284.11%	296.20%	318.90%	262.97%	250.78%
70.91%	68.36%	66.77%	71.71%	73.00%

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Six Years (1)*

	2022	2021	2020	2019
City's Proportion of the Net OPEB Liability	0.3841626%	0.3737712%	0.3878142%	0.3844880%
City's Proportionate Share of the Net OPEB Liability	\$4,210,752	\$3,960,168	\$3,830,724	\$3,501,354
City's Covered Payroll	\$9,739,949	\$9,094,166	\$9,128,284	\$8,624,751
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	43.23%	43.55%	41.97%	40.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%	46.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.3865530%	0.3933340%
\$21,901,552	\$18,670,680
\$8,350,537	\$8,411,080
262.28%	221.98%
14.13%	15.96%

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Ten Years*

	2022	2021	2020	2019
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$1,504,011	\$1,399,211	\$1,335,954	\$1,472,064
Contributions in Relation to the Contractually Required Contribution	<u>(1,504,011)</u>	<u>(1,399,211)</u>	<u>(1,335,954)</u>	<u>(1,472,064)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$10,742,936	\$9,994,364	\$9,542,529	\$10,514,743
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net Pension Liability - Combined Plan</b>				
Contractually Required Contribution	\$8,084	\$0	\$0	\$321
Contributions in Relation to the Contractually Required Contribution	<u>(8,084)</u>	<u>0</u>	<u>0</u>	<u>(321)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$57,743	\$0	\$0	\$2,293
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>N/A</u>	<u>N/A</u>	<u>14.00%</u>
<b>Net OPEB Liability - OPEB Plan (1)</b>				
Contractually Required Contribution	\$1,528	\$855	\$603	\$1,183
Contributions in Relation to the Contractually Required Contribution	<u>(1,528)</u>	<u>(855)</u>	<u>(603)</u>	<u>(1,183)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$10,781,136	\$10,015,739	\$9,557,604	\$10,546,611
Contributions as a Percentage of Covered Payroll	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>	<u>0.01%</u>

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.



2018	2017	2016	2015	2014	2013
\$1,453,878	\$1,297,107	\$1,166,271	\$1,124,426	\$1,075,694	\$1,100,491
(1,453,878)	(1,297,107)	(1,166,271)	(1,124,426)	(1,075,694)	(1,100,491)
\$0	\$0	\$0	\$0	\$0	\$0
\$10,384,843	\$9,977,746	\$9,718,925	\$9,370,217	\$8,964,117	\$8,465,315
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$2,215	\$2,317	\$15,838	\$15,572	\$9,745	\$516
(2,215)	(2,317)	(15,838)	(15,572)	(9,745)	(516)
\$0	\$0	\$0	\$0	\$0	\$0
\$15,821	\$17,823	\$131,983	\$129,767	\$81,208	\$3,969
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%
\$1,535	\$101,088	\$198,157			
(1,535)	(101,088)	(198,157)			
\$0	\$0	\$0			
\$10,439,039	\$10,023,869	\$9,879,383			
0.01%	1.01%	2.01%			

**City of Beachwood, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$2,124,775	\$2,073,450	\$1,937,747	\$1,948,798
Contributions in Relation to the Contractually Required Contribution	<u>(2,124,775)</u>	<u>(2,073,450)</u>	<u>(1,937,747)</u>	<u>(1,948,798)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$9,954,096	\$9,739,949	\$9,094,166	\$9,128,284
Pension Contributions as a Percentage of Covered Payroll:	<u>21.35%</u>	<u>21.29%</u>	<u>21.31%</u>	<u>21.35%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$49,770	\$46,493	\$45,471	\$45,642
Contributions in Relation to the Contractually Required Contribution	<u>(49,770)</u>	<u>(46,493)</u>	<u>(45,471)</u>	<u>(45,642)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll:	<u>0.50%</u>	<u>0.48%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll:	<u>21.85%</u>	<u>21.77%</u>	<u>21.81%</u>	<u>21.85%</u>

(1) The City's Covered Payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$1,840,182	\$1,782,357	\$1,788,221	\$1,680,214	\$1,548,409	\$1,299,075
<u>(1,840,182)</u>	<u>(1,782,357)</u>	<u>(1,788,221)</u>	<u>(1,680,214)</u>	<u>(1,548,409)</u>	<u>(1,299,075)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$8,624,751	\$8,350,537	\$8,411,080	\$7,905,342	\$7,288,792	\$7,185,479
<u>21.34%</u>	<u>21.34%</u>	<u>21.26%</u>	<u>21.25%</u>	<u>21.24%</u>	<u>18.08%</u>
\$43,124	\$41,753	\$42,055	\$39,527	\$36,444	\$259,875
<u>(43,124)</u>	<u>(41,753)</u>	<u>(42,055)</u>	<u>(39,527)</u>	<u>(36,444)</u>	<u>(259,875)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>21.84%</u>	<u>21.84%</u>	<u>21.76%</u>	<u>21.75%</u>	<u>21.74%</u>	<u>21.70%</u>

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2022

**Changes in Assumptions – OPERS Pension – Traditional Plan**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2022

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions – OPERS Pension – Combined Plan**

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2022

**Changes in Assumptions – OP&F Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2022

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Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

**Changes in Assumptions – OPERS OPEB**

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**Changes in Assumptions – OP&F OPEB**

Blended Discount Rate:	
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2022*

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For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

**Changes in Benefit Terms – OP&F OPEB**

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.



## Combining Statements – Nonmajor Governmental Funds

### All nonmajor governmental funds are special revenue funds

#### Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed expenditures for specified purposes other than debt service or capital projects.

***Street Construction, Maintenance and Repair Fund*** – This fund accounts for and reports 92.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of streets within the City.

***State Highway Fund*** - This fund accounts for and reports 7.5 percent of the State gasoline tax and motor vehicle registration fees restricted for maintenance and repair of State highways within the City.

***Mayor’s Court Improvement Fund*** – This fund accounts for and reports court fees and fines restricted for the purchase and maintenance of computers for the Mayor’s court.

***Law Enforcement Trust Fund*** - This fund accounts for and reports monies received from the sale or disposition of seized contraband restricted for drug and alcohol enforcement.

***Police Pension Fund*** - This fund accounts for and reports property taxes restricted to pay for a portion of the employer’s share of police pension benefits.

***Street Lights Fund*** - This fund accounts for and reports the collection of special assessments restricted for street lighting on Blossom Drive and George Zeigler Drive.

***Omnova Tax Increment Financing (TIF) Fund*** – This fund accounts for and reports payments in lieu of taxes restricted for expenses related to the Omnova TIF agreement.

***Barkwood Donations Fund*** – This fund accounts for and reports all donations for Barkwood and the use of those funds is committed for Barkwood related expenses.

***OneOhio Opioid Fund*** – This fund accounts for and reports the Opioid settlement funds received through the OneOhio funds of the National Opioid Settlement agreement and expenses restricted to respond to the impact of the opioid crisis.

***NOPEC Grant Fund*** – This fund accounts for and reports all monies received from NOPEC related to their NOPEC Energized Community Grant Program. These funds are restricted for energy related projects.

***American Rescue Plan Act*** – This fund accounts for and reports the Local Fiscal Recovery funds received through the American Rescue Plan Act of 2021 and expenses restricted to respond to the impact of the COVID-19 disease in accordance with said act.

**City of Beachwood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2022*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,542,866	\$257,954	\$51,478	\$175,435
Property Taxes Receivable	0	0	0	0
Payments in Lieu of Taxes Receivable	0	0	0	0
Intergovernmental Receivable	261,664	21,216	0	0
<i>Total Assets</i>	<u>\$1,804,530</u>	<u>\$279,170</u>	<u>\$51,478</u>	<u>\$175,435</u>
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Retainage Payable	144,652	0	0	0
Contracts Payable	287,872	0	0	0
Unearned Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>432,524</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Unavailable Revenue	163,161	13,229	0	0
<i>Total Deferred Inflows of Resources</i>	<u>163,161</u>	<u>13,229</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>				
Restricted	1,208,845	265,941	51,478	175,435
Committed	0	0	0	0
<i>Total Fund Balances</i>	<u>1,208,845</u>	<u>265,941</u>	<u>51,478</u>	<u>175,435</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,804,530</u>	<u>\$279,170</u>	<u>\$51,478</u>	<u>\$175,435</u>

Police Pension	Street Lights	Omnova TIF	Barkwood Donations	OneOhio Opiod	American Rescue Plan Act	Total Nonmajor Governmental Funds
\$33,782	\$98,895	\$0	\$2,375	\$4,954	\$1,208,781	\$3,376,520
266,130	0	0	0	0	0	266,130
0	0	279,428	0	0	0	279,428
8,246	0	0	0	0	0	291,126
<u>\$308,158</u>	<u>\$98,895</u>	<u>\$279,428</u>	<u>\$2,375</u>	<u>\$4,954</u>	<u>\$1,208,781</u>	<u>\$4,213,204</u>
\$0	\$1,971	\$0	\$0	\$0	\$0	\$1,971
0	0	0	0	0	0	144,652
0	0	0	0	0	0	287,872
0	0	0	0	0	1,208,781	1,208,781
<u>0</u>	<u>1,971</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,208,781</u>	<u>1,643,276</u>
251,602	0	0	0	0	0	251,602
0	0	279,428	0	0	0	279,428
22,774	0	0	0	0	0	199,164
<u>274,376</u>	<u>0</u>	<u>279,428</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>730,194</u>
33,782	96,924	0	0	4,954	0	1,837,359
0	0	0	2,375	0	0	2,375
<u>33,782</u>	<u>96,924</u>	<u>0</u>	<u>2,375</u>	<u>4,954</u>	<u>0</u>	<u>1,839,734</u>
<u>\$308,158</u>	<u>\$98,895</u>	<u>\$279,428</u>	<u>\$2,375</u>	<u>\$4,954</u>	<u>\$1,208,781</u>	<u>\$4,213,204</u>

**City of Beachwood, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2022*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust
<b>Revenues</b>				
Property Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	7,315	9,054
Intergovernmental	712,365	57,760	0	11,712
Payments in Lieu of Taxes	0	0	0	0
Special Assessments	0	0	0	0
Settlements	0	0	0	0
Investment Earnings/Interest	17,626	1,924	0	975
Other	37,440	0	0	0
<i>Total Revenues</i>	<u>767,431</u>	<u>59,684</u>	<u>7,315</u>	<u>21,741</u>
<b>Expenditures</b>				
Current:				
General Government	0	0	0	0
Public Safety:				
Police	0	0	13,351	4,261
Public Services	109,975	0	0	0
Capital Outlay	1,734,396	0	0	0
<i>Total Expenditures</i>	<u>1,844,371</u>	<u>0</u>	<u>13,351</u>	<u>4,261</u>
<i>Net Change in Fund Balances</i>	(1,076,940)	59,684	(6,036)	17,480
<i>Fund Balances Beginning of Year - Restated (See Note 18)</i>	<u>2,285,785</u>	<u>206,257</u>	<u>57,514</u>	<u>157,955</u>
<i>Fund Balances End of Year</i>	<u>\$1,208,845</u>	<u>\$265,941</u>	<u>\$51,478</u>	<u>\$175,435</u>

Police Pension	Street Lights	Omnova TIF	Barkwood Donations	OneOhio Opioid	American Rescue Plan Act	Total Nonmajor Governmental Funds
\$238,770	\$0	\$0	\$0	\$0	\$0	\$238,770
0	0	0	0	0	0	16,369
17,578	0	0	0	0	10,130	809,545
0	0	277,865	0	0	0	277,865
0	10,225	0	0	0	0	10,225
0	0	0	0	4,954	0	4,954
0	0	0	0	0	0	20,525
0	0	0	985	0	0	38,425
<u>256,348</u>	<u>10,225</u>	<u>277,865</u>	<u>985</u>	<u>4,954</u>	<u>10,130</u>	<u>1,416,678</u>
0	0	277,865	0	0	0	277,865
243,805	23,748	0	0	0	10,130	295,295
0	0	0	0	0	0	109,975
0	0	0	0	0	0	1,734,396
<u>243,805</u>	<u>23,748</u>	<u>277,865</u>	<u>0</u>	<u>0</u>	<u>10,130</u>	<u>2,417,531</u>
12,543	(13,523)	0	985	4,954	0	(1,000,853)
21,239	110,447	0	1,390	0	0	2,840,587
<u>\$33,782</u>	<u>\$96,924</u>	<u>\$0</u>	<u>\$2,375</u>	<u>\$4,954</u>	<u>\$0</u>	<u>\$1,839,734</u>

## Combining Statement - Fiduciary Funds

### *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 custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

### *Custodial Funds*

***Energy Special Improvement District Fund*** – To account for the receipt and disbursement of special assessment tax collections of businesses in the Energy Special Improvement District area for the benefit of another government. When the special assessment is collected, no further action is needed to release the assets to the beneficiaries.

***Orange Village Special Assessment*** – To account for the receipt and disbursement of special assessment tax collections for the benefit of another government. When the special assessment is collected, no further action is needed to release the assets to the beneficiaries.

***Mayor's Court*** – To account for various fines collected and distributed through the Mayor's Court for the benefit of others. When the fines and fees are collected, no further action is needed to release the assets to the beneficiaries.

**City of Beachwood, Ohio**  
*Combining Statement of Fiduciary Net Position*  
*Custodial Funds*  
*December 31, 2022*

	Energy Special Improvement District	Orange Village Special Assessment	Mayor's Court	Total Custodial Funds
<b>Assets</b>				
Cash and Cash Equivalents in Segregated Accounts	\$0	\$0	\$2,375	\$2,375
Special Assessments Receivable	1,401,677	7,980	0	1,409,657
<i>Total Assets</i>	1,401,677	7,980	2,375	1,412,032
<b>Liabilities</b>				
Intergovernmental Payable	1,401,677	7,980	2,375	1,412,032
<b>Net Position</b>				
Restricted for Individuals, Organizations and Other Governments	\$0	\$0	\$0	\$0

**City of Beachwood, Ohio**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2022*

	Energy Special Improvement District	Orange Village Special Assessment	Mayor's Court	Total Custodial Funds
<b>Additions</b>				
Fines and Forfeitures for Other Governments	\$0	\$0	\$190,781	\$190,781
Special Assessment Collections for Distribution	14,405	40	0	14,445
<i>Total Additions</i>	14,405	40	190,781	205,226
<b>Deductions</b>				
Distributions to Other Governments	14,405	40	190,781	205,226
<i>Change in Net Position</i>	0	0	0	0
<i>Net Position Beginning of Year</i>	0	0	0	0
<i>Net Position End of Year</i>	\$0	\$0	\$0	\$0



**Individual Fund Schedules of Revenues, Expenditures/Expenses  
and Changes in Fund Balance/Equity – Budget (Non-GAAP Basis) and Actual**

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$3,318,095	\$3,318,095	\$2,944,581	(\$373,514)
Municipal Income Taxes	37,020,377	37,026,985	39,323,986	2,297,001
Charges for Services	2,242,300	2,242,300	2,704,656	462,356
Fines, Licenses and Permits	1,881,979	1,456,979	1,810,142	353,163
Intergovernmental	335,908	335,908	486,116	150,208
Admission Taxes	300,000	300,000	337,014	37,014
Lodging Taxes	420,000	420,000	714,145	294,145
Franchise Taxes	120,000	120,000	122,089	2,089
Investment Earnings/Interest	472,000	472,000	460,022	(11,978)
Other	234,500	234,500	415,179	180,679
<i>Total Revenues</i>	46,345,159	45,926,767	49,317,930	3,391,163
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Personal Services	129,160	129,160	125,551	3,609
Contractual Services	26,175	38,675	36,370	2,305
Materials and Supplies	4,500	2,800	1,921	879
Capital Outlay	7,000	77,000	65,897	11,103
Other	24,300	24,300	23,824	476
Total Council	191,135	271,935	253,563	18,372
Mayor:				
Personal Services	524,524	604,524	477,796	126,728
Contractual Services	65,781	121,481	96,763	24,718
Materials and Supplies	14,592	24,592	16,951	7,641
Capital Outlay	2,000	14,000	13,264	736
Other	145,589	148,589	111,219	37,370
Total Mayor	752,486	913,186	715,993	197,193
Human Resources:				
Personal Services	246,824	246,824	205,343	41,481
Contractual Services	30,000	62,000	30,580	31,420
Materials and Supplies	2,666	2,666	1,342	1,324
Other	5,000	9,000	4,119	4,881
Total Human Resources	\$284,490	\$320,490	\$241,384	\$79,106

(continued)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Finance Director:				
Personal Services	\$1,589,657	\$1,589,657	\$1,409,045	\$180,612
Contractual Services	5,809,129	6,059,129	5,290,367	768,762
Materials and Supplies	32,292	32,292	23,336	8,956
Capital Outlay	486,061	486,061	239,829	246,232
Other	429,054	429,054	383,518	45,536
<b>Total Finance Director</b>	<b>8,346,193</b>	<b>8,596,193</b>	<b>7,346,095</b>	<b>1,250,098</b>
Law Department:				
Personal Services	745,237	745,237	615,181	130,056
Contractual Services	259,926	319,926	278,792	41,134
Materials and Supplies	17,625	17,625	13,842	3,783
Capital Outlay	31,084	31,084	25,987	5,097
Other	44,898	44,898	27,275	17,623
<b>Total Law Department</b>	<b>1,098,770</b>	<b>1,158,770</b>	<b>961,077</b>	<b>197,693</b>
<b>Total General Government</b>	<b>10,673,074</b>	<b>11,260,574</b>	<b>9,518,112</b>	<b>1,742,462</b>
Public Safety:				
Police Department:				
Personal Services	11,475,497	11,475,497	10,080,372	1,395,125
Contractual Services	658,581	643,581	594,160	49,421
Materials and Supplies	183,006	183,006	128,398	54,608
Capital Outlay	642,614	642,614	553,962	88,652
Other	116,676	131,676	107,187	24,489
<b>Total Police Department</b>	<b>13,076,374</b>	<b>13,076,374</b>	<b>11,464,079</b>	<b>1,612,295</b>
Fire Department:				
Personal Services	9,122,641	9,122,641	8,480,467	642,174
Contractual Services	309,102	309,102	231,465	77,637
Materials and Supplies	175,269	175,269	129,400	45,869
Capital Outlay	671,204	671,204	662,715	8,489
Other	90,587	90,587	43,674	46,913
<b>Total Fire Department</b>	<b>10,368,803</b>	<b>10,368,803</b>	<b>9,547,721</b>	<b>821,082</b>
<b>Total Public Safety</b>	<b>\$23,445,177</b>	<b>\$23,445,177</b>	<b>\$21,011,800</b>	<b>\$2,433,377</b>

(continued)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Services:				
Service Department:				
Personal Services	\$6,872,444	\$6,872,444	\$6,551,945	\$320,499
Contractual Services	2,048,884	2,048,884	1,531,710	517,174
Materials and Supplies	2,079,052	2,329,052	2,168,395	160,657
Capital Outlay	1,550,566	1,500,566	1,297,313	203,253
Other	31,880	31,880	26,687	5,193
Total Public Services	12,582,826	12,782,826	11,576,050	1,206,776
Culture and Recreation				
Recreation Administration:				
Personal Services	1,239,806	1,239,806	1,142,604	97,202
Contractual Services	511,798	511,798	285,662	226,136
Materials and Supplies	128,706	128,706	100,675	28,031
Capital Outlay	8,000	8,000	7,321	679
Other	80,755	80,755	45,729	35,026
Total Recreation Administration	1,969,065	1,969,065	1,581,991	387,074
Recreation Camps:				
Personal Services	414,600	414,600	364,009	50,591
Contractual Services	137,500	137,500	82,273	55,227
Materials and Supplies	33,927	33,927	24,509	9,418
Other	4,500	4,500	0	4,500
Total Recreation Camps	590,527	590,527	470,791	119,736
Recreation Parks/Swimming Pools:				
Personal Services	318,388	386,788	337,321	49,467
Contractual Services	304,521	287,521	240,433	47,088
Materials and Supplies	76,104	76,104	70,770	5,334
Capital Outlay	500	17,500	15,835	1,665
Other	3,900	3,900	1,242	2,658
Total Recreation Parks/Swimming Pools	703,413	771,813	665,601	106,212
Total Culture and Recreation	\$3,263,005	\$3,331,405	\$2,718,383	\$613,022

(continued)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
General Fund (continued)  
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Building and Community Development:				
Building Development:				
Personal Services	\$1,254,269	\$1,254,269	\$1,165,951	\$88,318
Contractual Services	289,245	289,245	227,257	61,988
Materials and Supplies	20,070	20,070	17,397	2,673
Capital Outlay	95,426	95,426	27,582	67,844
Other	1,503,224	1,023,224	463,352	559,872
Total Building and Community Development	3,162,234	2,682,234	1,901,539	780,695
<i>Total Expenditures</i>	53,126,316	53,502,216	46,725,884	6,776,332
<i>Excess of Revenues Over (Under) Expenditures</i>	(6,781,157)	(7,575,449)	2,592,046	(3,385,169)
<b>Other Financing Uses</b>				
Transfers Out	(4,000,000)	(4,000,000)	(4,000,000)	0
<i>Net Change in Fund Balance</i>	(10,781,157)	(11,575,449)	(1,407,954)	(3,385,169)
<i>Fund Balance Beginning of Year</i>	28,934,576	28,934,576	28,934,576	0
Prior Year Encumbrances Appropriated	2,697,760	2,697,760	2,697,760	0
<i>Fund Balance End of Year</i>	\$20,851,179	\$20,056,887	\$30,224,382	(\$3,385,169)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Eaton Tax Increment Financing Fund  
For the Year Ended December 31, 2022*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Payments in Lieu of Taxes	\$4,350,000	\$4,320,000	\$4,326,920	\$6,920
<b>Expenditures</b>				
Current:				
General Government				
Other	4,350,000	4,350,000	3,763,158	586,842
<i>Net Change in Fund Balance</i>	0	(30,000)	563,762	593,762
<i>Fund Balance Beginning of Year</i>	5,988,306	5,988,306	5,988,306	0
<i>Fund Balance End of Year</i>	<u>\$5,988,306</u>	<u>\$5,958,306</u>	<u>\$6,552,068</u>	<u>\$593,762</u>

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Special Assessments	\$300,000	\$601,013	\$301,013
<b>Expenditures</b>			
Current:			
General Government:			
Finance Director:			
Other	6,000	5,913	87
Debt Service:			
Principal Retirement	520,000	520,000	0
Interest	404,000	397,723	6,277
<i>Total Expenditures</i>	930,000	923,636	6,364
<i>Excess of Revenues Under Expenditures</i>	(630,000)	(322,623)	307,377
<b>Other Financing Sources</b>			
Transfers In	600,000	600,000	0
<i>Net Change in Fund Balance</i>	(30,000)	277,377	307,377
<i>Fund Balance Beginning of Year</i>	435,609	435,609	0
<i>Fund Balance End of Year</i>	\$405,609	\$712,986	\$307,377

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvements Fund*  
*For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$0	\$235,048	\$235,048
Special Assessments	0	20,493	20,493
<i>Total Revenues</i>	<u>0</u>	<u>255,541</u>	<u>255,541</u>
<b>Expenditures</b>			
Capital Outlay:			
Contractual Services	1,081,295	822,666	258,629
Capital Outlay	10,380,216	8,987,642	1,392,574
Other	500	211	289
<i>Total Expenditures</i>	<u>11,462,011</u>	<u>9,810,519</u>	<u>1,651,492</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(11,462,011)</u>	<u>(9,554,978)</u>	<u>1,907,033</u>
<b>Other Financing Sources</b>			
Sale of Capital Assets	2,100,000	2,627,845	527,845
Transfers In	3,400,000	3,400,000	0
<i>Total Other Financing Sources</i>	<u>5,500,000</u>	<u>6,027,845</u>	<u>527,845</u>
<i>Net Change in Fund Balance</i>	(5,962,011)	(3,527,133)	2,434,878
<i>Fund Balance Beginning of Year</i>	5,931,102	5,931,102	0
Prior Year Encumbrances Appropriated	4,462,011	4,462,011	0
<i>Fund Balance End of Year</i>	<u>\$4,431,102</u>	<u>\$6,865,980</u>	<u>\$2,434,878</u>



**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Street Construction, Maintenance and Repair Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$658,000	\$718,453	\$60,453
Investment Earnings/Interest	17,000	17,626	626
Other	0	37,440	37,440
<i>Total Revenues</i>	<u>675,000</u>	<u>773,519</u>	<u>98,519</u>
<b>Expenditures</b>			
Capital Outlay			
Streets, Sidewalks, and Maintenance:			
Contractual Services	307,655	117,631	190,024
Capital Outlay	1,900,000	1,900,000	0
<i>Total Expenditures</i>	<u>2,207,655</u>	<u>2,017,631</u>	<u>190,024</u>
<i>Net Change in Fund Balance</i>	(1,532,655)	(1,244,112)	288,543
<i>Fund Balance Beginning of Year</i>	2,173,764	2,173,764	0
Prior Year Encumbrances Appropriated	7,655	7,655	0
<i>Fund Balance End of Year</i>	<u><u>\$648,764</u></u>	<u><u>\$937,307</u></u>	<u><u>\$288,543</u></u>

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
State Highway Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$61,000	\$58,253	(\$2,747)
Investment Earnings/Interest	4,000	1,924	(2,076)
<i>Total Revenues</i>	65,000	60,177	(4,823)
<b>Expenditures</b>			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Capital Outlay	240,000	240,000	0
<i>Net Change in Fund Balance</i>	(175,000)	(179,823)	(4,823)
<i>Fund Balance Beginning of Year</i>	197,777	197,777	0
<i>Fund Balance End of Year</i>	\$22,777	\$17,954	(\$4,823)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Mayor's Court Improvement Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines, Licenses and Permits	\$4,000	\$7,315	\$3,315
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Materials and Supplies	6,000	4,432	1,568
Capital Outlay	44,000	8,919	35,081
<i>Total Expenditures</i>	50,000	13,351	36,649
<i>Net Change in Fund Balance</i>	(46,000)	(6,036)	39,964
<i>Fund Balance Beginning of Year</i>	57,514	57,514	0
<i>Fund Balance End of Year</i>	\$11,514	\$51,478	\$39,964

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Law Enforcement Trust Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines, Licenses and Permits	\$0	\$9,054	\$9,054
Intergovernmental	9,000	11,712	2,712
Investment Earnings/Interest	1,000	975	(25)
<i>Total Revenues</i>	<u>10,000</u>	<u>21,741</u>	<u>11,741</u>
<b>Expenditures</b>			
Current:			
Public Safety:			
Police Department:			
Materials and Supplies	5,000	4,261	739
Capital Outlay	150,000	0	150,000
<i>Total Expenditures</i>	<u>155,000</u>	<u>4,261</u>	<u>150,739</u>
<i>Net Change in Fund Balance</i>	(145,000)	17,480	162,480
<i>Fund Balance Beginning of Year</i>	<u>157,955</u>	<u>157,955</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$12,955</u></u>	<u><u>\$175,435</u></u>	<u><u>\$162,480</u></u>

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Pension Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$255,035	\$238,770	(\$16,265)
Intergovernmental	28,000	17,578	(10,422)
<i>Total Revenues</i>	283,035	256,348	(26,687)
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Personal Services	250,000	243,805	6,195
<i>Net Changes in Fund Balance</i>	33,035	12,543	(20,492)
<i>Fund Balance Beginning of Year</i>	21,239	21,239	0
<i>Fund Balance End of Year</i>	\$54,274	\$33,782	(\$20,492)

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Lights Fund*  
*For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Special Assessments	\$13,175	\$10,225	(\$2,950)
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Contractual Services	31,575	25,332	6,243
Other	325	101	224
<i>Total Expenditures</i>	31,900	25,433	6,467
<i>Net Change in Fund Balance</i>	(18,725)	(15,208)	3,517
<i>Fund Balance Beginning of Year</i>	110,429	110,429	0
Prior Year Encumbrances Appropriated	1,700	1,700	0
<i>Fund Balance End of Year</i>	\$93,404	\$96,921	\$3,517

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Omnova Tax Increment Financing Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Payments in Lieu of Taxes	\$280,000	\$277,865	(\$2,135)
<b>Expenditures</b>			
Current:			
General Government			
Other	280,000	277,865	2,135
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Barkwood Donations Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Other	\$950	\$985	\$35
<b>Expenditures</b>			
Current:			
Culture and Recreation			
Materials and Supplies	1,400	0	1,400
<i>Net Change in Fund Balance</i>	(450)	985	1,435
<i>Fund Balance Beginning of Year</i>	1,390	1,390	0
<i>Fund Balance End of Year</i>	\$940	\$2,375	\$1,435



**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
OneOhio Opioid Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Settlements	\$4,954	\$4,954	\$0
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Other	4,954	0	4,954
<i>Net Change in Fund Balance</i>	0	4,954	4,954
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$4,954	\$4,954

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget (Non-GAAP Basis) and Actual  
Northeast Ohio Public Energy Council (NOPEC) Grant Fund  
For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$65,000	\$0	(\$65,000)
<b>Expenditures</b>			
Current:			
Public Services:			
Capital Outlay	65,000	0	65,000
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*American Rescue Plan Act*  
*For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$611,880	\$611,879	(\$1)
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Personal Services	100,000	0	100,000
Capital Outlay	1,118,912	10,130	1,108,782
<i>Total Expenditures</i>	1,218,912	10,130	1,208,782
<i>Net Change in Fund Balance</i>	(607,032)	601,749	1,208,783
<i>Fund Balance Beginning of Year</i>	607,032	607,032	0
<i>Fund Balance End of Year</i>	\$0	\$1,208,781	\$1,208,783

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Year Ended December 31, 2022*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$160,000	\$11,080	(\$148,920)
<b>Expenses</b>			
Claims	160,000	11,080	148,920
<i>Net Change in Fund Equity</i>	0	0	0
<i>Fund Equity Beginning of Year</i>	1,500,000	1,500,000	0
<i>Fund Equity End of Year</i>	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$0</u>

## Statistical Section

This part of the City of Beachwood, Ohio's Annual Comprehensive 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 City's overall financial health.

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<b>Contents</b>	<b>Page(s)</b>
<b>Financial Trends</b> .....	S2-S9
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	S10-S13
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
<b>Debt Capacity</b> .....	S14-S19
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt in the future.	
<b>Economic and Demographic Information</b> .....	S20-S22
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b> .....	S24-S29
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**City of Beachwood, Ohio**  
*Net Position by Component*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	<u>2022</u>	<u>2021 (5)</u>	<u>2020</u>	<u>2019</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$73,766,972	\$71,970,337	\$72,816,039	\$71,765,502
Restricted	13,751,435	14,039,433	14,096,600	15,211,933
Unrestricted (Deficit)	<u>9,385,868</u>	<u>6,300,800</u>	<u>(4,881,502)</u>	<u>(3,096,089)</u>
<i>Total Governmental Activities</i> <i>Net Position</i>	<u><u>\$96,904,275</u></u>	<u><u>\$92,310,570</u></u>	<u><u>\$82,031,137</u></u>	<u><u>\$83,881,346</u></u>

- (1) Reflects restated amount due to property taxes receivable overstatement.
- (2) Reflects restated amount due to implementation of GASB 68.
- (3) Reflects restated amount due to implementation of GASB 75.
- (4) Reflects restated amount due to implementation of GASB 84.
- (5) Reflects restated amount due to understatement of unearned revenue.

2018 (4)	2017 (3)	2016	2015 (1)	2014 (2)	2013
\$71,879,216	\$70,352,464	\$72,371,648	\$68,776,471	\$68,483,072	\$69,178,482
9,210,147	9,738,490	10,024,640	10,417,622	4,005,903	9,570,500
(11,622,490)	(12,040,821)	18,052,420	23,490,781	23,492,977	40,034,861
<u>\$69,466,873</u>	<u>\$68,050,133</u>	<u>\$100,448,708</u>	<u>\$102,684,874</u>	<u>\$95,981,952</u>	<u>\$118,783,843</u>

**City of Beachwood, Ohio**  
*Changes in Net Position*  
*Last Ten Years*  
*(Accrual Basis of Accounting)*

	2022	2021 (8)	2020	2019
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government (3)	\$60,012	\$133,454	\$193,617	\$181,985
Public Safety				
Police	586,980	499,167	636,208	972,942
Fire	1,256,043	1,069,980	1,018,780	1,165,872
Health and Welfare (7)	0	0	0	179,510
Culture and Recreation	1,012,511	745,539	35,463	967,271
Building and Community Development	1,620,357	1,738,742	1,376,373	1,007,910
Operating Grants and Contributions	840,659	974,480	1,579,124	763,100
Capital Grants and Assessments	348,969	76,000	0	0
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>5,725,531</u>	<u>5,237,362</u>	<u>4,839,565</u>	<u>5,238,590</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	12,532,756	12,427,670	13,817,557	14,226,642
Public Safety				
Police	9,536,053	9,083,614	12,235,542	5,691,197
Fire	9,446,988	9,310,350	10,413,971	1,189,562
Public Services	12,045,973	8,735,102	14,557,931	14,503,424
Health and Welfare (7)	0	0	0	755,917
Culture and Recreation	2,801,675	2,131,856	2,334,835	3,195,413
Building and Community Development	1,022,337	899,829	1,408,867	1,703,788
Interest	365,105	342,631	505,252	607,961
<i>Total Governmental Activities Expenses</i>	<u>47,750,887</u>	<u>42,931,052</u>	<u>55,273,955</u>	<u>41,873,904</u>
<i>Total Primary Government Net Expense</i>	<u>(42,025,356)</u>	<u>(37,693,690)</u>	<u>(50,434,390)</u>	<u>(36,635,314)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	2,795,568	3,050,260	2,862,897	2,797,545
Police Pension	226,688	247,318	232,107	225,295
Payments in Lieu of Taxes (6)	4,604,785	4,573,517	4,470,526	4,467,725
Municipal Income Taxes Levied				
For General Purposes	38,956,945	37,712,799	37,676,377	38,158,389
Admission, Lodging, and Franchise Taxes	1,181,522	903,742	793,102	1,503,167
Estate Taxes (4)	0	0	0	4,253
Grants and Entitlements not Restricted to				
Specific Programs	520,414	448,799	657,586	418,287
Investment Earnings	(2,119,731)	164,483	980,316	1,696,330
Health Care Reimbursements (2)	0	0	0	608,325
Gain on Sale of Capital Assets	0	644,695	723,515	0
Other	452,870	227,510	187,755	1,170,471
<i>Total Governmental Activities</i>	<u>46,619,061</u>	<u>47,973,123</u>	<u>48,584,181</u>	<u>51,049,787</u>
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u>\$4,593,705</u>	<u>\$10,279,433</u>	<u>(\$1,850,209)</u>	<u>\$14,414,473</u>

- (1) Reflects restated amount due to overstatement of property taxes receivable. Due to a Ohio Board of Tax Appeals ruling, the Cleveland Clinic received property tax exemption status. The Cleveland Clinic and University Hospitals were both included in 2015 delinquent property taxes and should not have been. The significantly lower property tax amount in 2015 reflects the removal of these entities from delinquent property taxes.
- (2) Starting in 2020, health care reimbursements are no longer shown as revenue. They are a reduction to health care expense.
- (3) In 2018, the City leased a building to another company. In 2021, the City ended the lease.
- (4) The Ohio Estate Tax law was repealed effective January 1, 2013.
- (5) Reflects restated amount due to implementation of GASB 84.
- (6) Implementing GASB 84 in 2019 resulted in TIF funds being included in Governmental Activities. This data is not available prior to 2018.
- (7) Starting in 2021, Health and Welfare activities are included with Culture and Recreation.
- (8) Reflects restated amount due to understatement of unearned revenue.



2018 (5)	2017	2016	2015 (1)	2014	2013
\$283,511	\$62,204	\$123,970	\$50,062	\$47,133	\$63,237
837,690	920,482	944,331	738,114	881,280	533,700
1,121,174	1,067,227	1,118,208	1,040,227	972,782	907,496
159,768	151,837	175,440	183,947	148,586	119,648
946,086	911,305	886,806	877,917	877,132	876,424
1,155,815	1,009,279	1,113,899	836,062	864,594	2,095,827
604,299	577,788	580,804	561,164	567,487	648,516
0	0	0	7,040,066	0	719,852
5,108,343	4,700,122	4,943,458	11,327,559	4,358,994	5,964,700
13,184,644	6,006,746	5,259,319	5,473,129	6,123,993	4,950,386
12,384,365	10,912,329	11,441,604	8,822,787	8,845,911	8,602,587
10,124,266	8,834,478	8,427,825	7,586,492	7,332,233	6,862,847
14,004,105	17,334,140	13,799,108	12,630,671	13,373,133	12,271,829
680,821	653,796	624,340	582,497	576,967	513,481
2,981,223	3,068,098	2,919,961	2,807,443	2,726,458	2,801,539
1,375,347	1,315,950	1,238,072	1,126,129	1,123,734	1,067,749
661,617	510,788	546,941	458,314	785,182	823,376
55,396,388	48,636,325	44,257,170	39,487,462	40,887,611	37,893,794
(50,288,045)	(43,936,203)	(39,313,712)	(28,159,903)	(36,528,617)	(31,929,094)
2,321,760	2,391,231	2,200,373	427,661	3,081,419	2,936,550
188,264	193,890	178,401	36,662	253,704	241,277
5,144,070	N/A	N/A	N/A	N/A	N/A
35,617,726	31,142,611	31,406,702	31,413,201	29,394,461	29,892,959
1,532,086	1,530,036	1,588,838	1,535,722	1,433,399	1,323,455
1,325	16,795	12,140	34,935	1,762,024	2,580,934
334,032	873,277	399,031	407,038	436,170	385,209
557,805	282,320	279,519	148,034	169,279	174,277
595,177	539,444	486,753	455,050	573,207	530,652
211,333	0	0	0	0	0
872,354	315,586	525,789	404,522	638,345	676,217
47,375,932	37,285,190	37,077,546	34,862,825	37,742,008	38,741,530
(\$2,912,113)	(\$6,651,013)	(\$2,236,166)	\$6,702,922	\$1,213,391	\$6,812,436

**City of Beachwood, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2022	2021 (2)	2020	2019
General Fund				
Nonspendable	\$1,618,381	\$1,396,727	\$1,515,687	\$1,789,300
Committed	1,272,598	1,238,017	855,562	462,785
Assigned	11,606,958	9,261,741	7,577,785	1,411,891
Unassigned	22,373,652	26,002,014	27,586,615	31,886,921
<i>Total General Fund</i>	<u>36,871,589</u>	<u>37,898,499</u>	<u>37,535,649</u>	<u>35,550,897</u>
All Other Governmental Funds				
Restricted	9,102,413	9,263,112	8,896,957	9,574,383
Committed	4,627,030	2,964,244	949,095	426,780
Assigned	7,691,905	10,201,428	11,039,994	11,596,800
Total All Other Governmental Funds	<u>21,421,348</u>	<u>22,428,784</u>	<u>20,886,046</u>	<u>21,597,963</u>
<i>Total Governmental Funds</i>	<u><u>\$58,292,937</u></u>	<u><u>\$60,327,283</u></u>	<u><u>\$58,421,695</u></u>	<u><u>\$57,148,860</u></u>

(1) Reflects restated amount due to implementation of GASB 84.

(2) Reflects restated amount due to understatement of unearned revenue.

2018 (1)	2017	2016	2015	2014	2013
\$1,116,696	\$1,031,801	\$1,256,882	\$1,257,388	\$1,197,983	\$1,081,452
233,883	330,578	209,021	348,655	390,694	261,150
1,159,553	924,832	983,890	948,993	1,266,580	1,572,707
29,997,388	27,811,086	26,750,185	23,731,765	22,513,741	28,648,180
32,507,520	30,098,297	29,199,978	26,286,801	25,368,998	31,563,489
8,658,423	8,225,090	2,371,476	2,136,854	1,847,522	1,776,045
803,068	886,010	691,523	2,612,281	194,360	25,657
10,030,600	11,669,582	14,010,045	16,159,439	13,142,368	5,596,712
19,492,091	20,780,682	17,073,044	20,908,574	15,184,250	7,398,414
\$51,999,611	\$50,878,979	\$46,273,022	\$47,195,375	\$40,553,248	\$38,961,903

**City of Beachwood, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(Modified Accrual Basis of Accounting)*

	2022	2021 (4)	2020	2019
<b>Revenues</b>				
Property Taxes	\$3,183,351	\$3,061,008	\$3,028,975	\$3,017,332
Municipal Income Taxes	39,240,681	37,649,248	37,554,566	38,375,841
Charges for Services	2,694,213	1,661,222	1,718,829	3,173,345
Fines, Licenses, and Permits	1,826,511	1,880,159	1,530,145	1,280,172
Intergovernmental	1,646,202	2,059,409	2,209,369	1,127,252
Estate Taxes	0	0	0	4,253
Admission Taxes	339,037	298,442	256,109	348,689
Lodging Taxes	721,046	481,643	405,194	1,020,252
Franchise Taxes	121,439	123,657	131,799	134,226
Health Care Reimbursements (1)	0	0	620,707	608,325
Payments in Lieu of Taxes	4,604,785	4,573,517	4,470,526	4,467,725
Special Assessments	631,731	508,045	598,738	609,570
Settlements	4,954	0	0	0
Investment Earnings/Interest	(2,102,105)	182,437	999,932	1,727,412
Other	452,870	227,510	187,755	1,170,471
<i>Total Revenues</i>	<u>53,364,715</u>	<u>52,706,297</u>	<u>53,712,644</u>	<u>57,064,865</u>
<b>Expenditures</b>				
Current:				
General Government	12,985,646	13,585,580	13,066,747	12,927,435
Public Safety				
Police	11,266,584	11,464,218	11,221,725	10,677,654
Fire	9,054,569	8,637,163	9,287,120	8,320,491
Public Services	10,695,546	9,404,355	9,544,733	9,178,263
Health and Welfare (3)	0	0	382,826	631,186
Culture and Recreation	2,636,583	2,092,209	1,419,476	2,503,104
Building and Community Development	1,490,830	1,644,787	1,311,800	1,384,016
Capital Outlay	6,351,580	3,261,415	1,977,839	3,402,279
Debt Service:				
Principal Retirement	520,000	3,080,000	4,505,000	2,205,000
Interest	397,723	472,513	624,597	686,188
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>55,399,061</u>	<u>53,642,240</u>	<u>53,341,863</u>	<u>51,915,616</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,034,346)</u>	<u>(935,943)</u>	<u>370,781</u>	<u>5,149,249</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	2,841,531	902,054	0
Premium on Bonds	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0
Transfers In	4,000,000	4,300,000	3,400,000	6,000,000
Transfers Out	(4,000,000)	(4,300,000)	(3,400,000)	(6,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>2,841,531</u>	<u>902,054</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(\$2,034,346)</u>	<u>\$1,905,588</u>	<u>\$1,272,835</u>	<u>\$5,149,249</u>
Debt Service as a Percentage of				
Noncapital Expenditures	1.91%	7.05%	10.04%	5.88%

(1) Starting in 2021, health care reimbursements are no longer shown as revenue. They are a reduction to health care expense.

(2) Reflects restated amount due to implementation of GASB 84.

(3) Starting in 2021, Health and Welfare activities are included with Culture and Recreation.

(4) Reflects restated amount due to understatement of unearned revenue.

2018 (2)	2017	2016	2015	2014	2013
\$2,756,817	\$2,772,437	\$2,663,259	\$2,527,134	\$2,738,844	\$2,569,556
35,345,344	30,875,367	33,039,556	30,538,900	29,169,007	29,578,663
3,387,538	2,811,098	2,941,291	2,599,402	2,344,939	2,218,880
1,096,226	1,290,776	1,410,447	1,117,554	1,436,960	2,367,813
915,248	1,456,226	973,729	966,119	1,004,968	1,057,115
1,325	16,795	12,140	34,935	1,812,554	2,757,334
338,557	340,084	326,335	331,403	337,476	352,854
1,053,716	1,056,185	1,121,150	1,059,815	977,506	843,102
139,813	133,767	141,353	144,504	118,417	127,499
595,177	539,444	486,753	455,050	573,207	530,652
5,144,070	n/a	n/a	n/a	n/a	n/a
608,896	609,309	701,663	466,165	531,205	467,562
0	0	0	0	0	0
578,495	290,336	283,735	150,277	172,286	177,324
872,354	315,586	525,789	404,522	638,345	676,217
<u>52,833,576</u>	<u>42,507,410</u>	<u>44,627,200</u>	<u>40,795,780</u>	<u>41,855,714</u>	<u>43,724,571</u>
12,282,766	5,201,196	4,766,021	4,983,494	5,008,868	4,494,993
10,526,238	9,770,097	10,455,847	8,765,233	8,740,855	8,556,641
7,957,349	7,565,990	7,488,100	7,093,500	6,994,656	6,620,419
9,873,149	9,874,685	9,935,088	9,717,072	10,844,374	8,700,525
615,967	674,271	596,923	578,049	624,272	507,654
2,456,726	2,509,420	2,464,090	2,464,934	2,319,497	2,414,088
1,433,545	1,140,131	1,200,045	1,110,528	1,108,407	1,063,829
9,550,126	8,018,740	6,187,647	2,807,187	2,305,856	1,291,946
2,110,000	1,840,000	1,835,000	1,785,000	1,800,000	1,750,000
777,813	513,813	620,792	488,226	517,584	555,393
0	171,180	0	0	0	0
<u>57,583,679</u>	<u>47,279,523</u>	<u>45,549,553</u>	<u>39,793,223</u>	<u>40,264,369</u>	<u>35,955,488</u>
<u>(4,750,103)</u>	<u>(4,772,113)</u>	<u>(922,353)</u>	<u>1,002,557</u>	<u>1,591,345</u>	<u>7,769,083</u>
1,300,000	0	0	0	0	0
0	378,070	0	324,570	0	0
0	9,000,000	0	0	0	0
0	0	0	5,315,000	0	0
4,000,000	12,761,000	3,766,400	4,766,400	11,810,604	7,805,204
<u>(4,000,000)</u>	<u>(12,761,000)</u>	<u>(3,766,400)</u>	<u>(4,766,400)</u>	<u>(11,810,604)</u>	<u>(7,805,204)</u>
<u>1,300,000</u>	<u>9,378,070</u>	<u>0</u>	<u>5,639,570</u>	<u>0</u>	<u>0</u>
<u>(\$3,450,103)</u>	<u>\$4,605,957</u>	<u>(\$922,353)</u>	<u>\$6,642,127</u>	<u>\$1,591,345</u>	<u>\$7,769,083</u>
6.02%	6.12%	6.49%	6.28%	6.37%	6.74%

**City of Beachwood, Ohio**  
*Income Tax Revenue Base and Collections*  
*Last Ten Years*

Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes From Withholding	Percentage of Taxes From Withholding	Taxes From Net Profits
2022	2.00%	\$38,956,945	\$30,028,013	77.08%	\$5,937,038
2021	2.00	37,712,799	28,763,552	76.27	5,992,564
2020	2.00	37,676,377	29,982,861	79.58	4,762,294
2019	2.00	38,158,389	29,725,385	77.90	5,456,650
2018 (3)	2.00	35,617,726	28,929,644	81.22	4,038,697
2017	2.00	31,142,611	24,602,663	79.00	3,955,112
2016	2.00	31,406,702	25,439,429	81.00	3,580,364
2015	2.00	31,413,201	25,036,321	79.70	4,177,956
2014	2.00	29,394,461	24,221,036	82.40	3,027,629
2013	2.00	29,892,959	23,884,474	79.90	4,065,442

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

(2) Total tax collected is on a full accrual basis.

(3) Reflects restated amount due to implementation of GASB 84.

Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
15.24%	\$2,991,894	7.68%
15.89	2,956,683	7.84
12.64	2,931,222	7.78
14.30	2,976,354	7.80
11.34	2,649,385	7.44
12.70	2,584,837	8.30
11.40	2,386,909	7.60
13.30	2,198,924	7.00
10.30	2,145,796	7.30
13.60	1,943,042	6.50

**City of Beachwood, Ohio**  
*Income Tax Statistics*  
 2021 (1) and Nine Years Ago

2021				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	930	23.38%	\$8,552,484	1.65%
\$25,000-\$49,999	580	14.58	21,896,588	4.22
\$50,000-\$74,999	511	12.85	31,707,820	6.11
\$75,000-\$99,999	419	10.54	36,273,831	6.99
Over \$100,000	1,537	38.65	420,147,754	81.03
Total	<u>3,977</u>		<u>\$518,578,477</u>	

2013				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,124	31.23%	\$4,153,007	1.02%
\$25,000-\$49,999	489	13.59	18,260,459	4.51
\$50,000-\$74,999	417	11.59	25,811,403	6.37
\$75,000-\$99,999	331	9.19	28,800,140	7.11
Over \$100,000	1,238	34.40	328,208,464	80.99
Total	<u>3,599</u>		<u>\$405,233,473</u>	

(1) 2021 is the latest information available.



**City of Beachwood, Ohio**  
*Principal Income Taxpayers*  
*Current Year and Nine Years Ago (Cash Basis)*

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

2022	
Taxpayer	Ranking
Cleveland Clinic Foundation	1
* Eaton Corporation	2
* University Hospitals	3
Menorah Park Center	4
Beachwood City School District	5
City of Beachwood	6
Master Builders Solutions	7
Price for Profit	8
University Hospitals Health System	9
Tremco Inc.	10

2013	
Taxpayer	Ranking
Cleveland Clinic Foundation	1
* Eaton Corporation	2
Developers Diversified	3
Aleris Ohio Management	4
* University Hospitals	5
Bank of America	6
Menorah Park Center	7
BASF, Corporation	8
Tremco Inc.	9
Beachwood City School District	10

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

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

Source: Regional Income Tax Agency

**City of Beachwood, Ohio**

*Legal Debt Margin*

*Last Ten Years*

	2022	2021	2020	2019
Total Assessed Property Value	<u>\$924,266,190</u>	<u>\$912,477,130</u>	<u>\$847,441,300</u>	<u>\$834,526,610</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$7,705,000	\$7,985,000	\$10,835,000	\$14,675,000
Bond Anticipation Notes	0	0	0	0
Special Assessment Bonds	<u>3,835,000</u>	<u>4,075,000</u>	<u>4,305,000</u>	<u>4,970,000</u>
Total Gross Indebtedness	11,540,000	12,060,000	15,140,000	19,645,000
Less:				
Special Assessment Bonds	(3,835,000)	(4,075,000)	(4,305,000)	(4,970,000)
Debt Service Fund Balance	<u>(712,986)</u>	<u>(435,609)</u>	<u>(239,683)</u>	<u>(1,402,877)</u>
Total Net Debt Applicable to Debt Limit	<u>6,992,014</u>	<u>7,549,391</u>	<u>10,595,317</u>	<u>13,272,123</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>97,047,950</u>	<u>95,810,099</u>	<u>88,981,337</u>	<u>87,625,294</u>
Legal Debt Margin within 10 1/2% Limitation	<u>\$90,055,936</u>	<u>\$88,260,708</u>	<u>\$78,386,020</u>	<u>\$74,353,171</u>
Legal Debt Margin as a Percentage of the Debt Limit	92.80%	92.12%	88.09%	84.85%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	<u>\$50,834,640</u>	<u>\$50,186,242</u>	<u>\$46,609,272</u>	<u>\$45,898,964</u>
Total Gross Indebtedness	11,540,000	12,060,000	15,140,000	19,645,000
Less:				
Special Assessment Bonds	(3,835,000)	(4,075,000)	(4,305,000)	(4,970,000)
Debt Service Fund Balance	<u>(712,986)</u>	<u>(435,609)</u>	<u>(239,683)</u>	<u>(1,402,877)</u>
Net Debt within 5 1/2% Limitation	<u>6,992,014</u>	<u>7,549,391</u>	<u>10,595,317</u>	<u>13,272,123</u>
Unvoted Legal Debt Margin within 5 1/2% Limitation	<u>\$43,842,626</u>	<u>\$42,636,851</u>	<u>\$36,013,955</u>	<u>\$32,626,841</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	86.25%	84.96%	77.27%	71.08%

Source: City Financial Records

2018	2017	2016	2015	2014	2013
<u>\$809,493,510</u>	<u>\$759,604,780</u>	<u>\$756,858,970</u>	<u>\$813,853,540</u>	<u>\$806,226,910</u>	<u>\$797,823,180</u>
\$16,475,000	\$18,195,000	\$10,655,000	\$12,085,000	\$13,470,000	\$14,885,000
0	0	0	0	5,200,000	5,200,000
<u>5,375,000</u>	<u>5,765,000</u>	<u>6,145,000</u>	<u>6,550,000</u>	<u>1,635,000</u>	<u>2,020,000</u>
21,850,000	23,960,000	16,800,000	18,635,000	20,305,000	22,105,000
(5,375,000)	(5,765,000)	(6,145,000)	(6,550,000)	(1,635,000)	(2,020,000)
<u>(726,674)</u>	<u>(1,045,726)</u>	<u>(862,918)</u>	<u>(785,931)</u>	<u>(438,574)</u>	<u>(397,600)</u>
<u>15,748,326</u>	<u>17,149,274</u>	<u>9,792,082</u>	<u>11,299,069</u>	<u>18,231,426</u>	<u>19,687,400</u>
<u>84,996,819</u>	<u>79,758,502</u>	<u>79,470,192</u>	<u>85,454,622</u>	<u>84,653,826</u>	<u>83,771,434</u>
<u>\$69,248,493</u>	<u>\$62,609,228</u>	<u>\$69,678,110</u>	<u>\$74,155,553</u>	<u>\$66,422,400</u>	<u>\$64,084,034</u>
81.47%	78.50%	87.68%	86.78%	78.46%	76.50%
<u>\$44,522,143</u>	<u>\$41,778,263</u>	<u>\$41,627,243</u>	<u>\$44,761,945</u>	<u>\$44,342,480</u>	<u>\$43,880,275</u>
21,850,000	23,960,000	16,800,000	18,635,000	20,305,000	22,105,000
(5,375,000)	(5,765,000)	(6,145,000)	(6,550,000)	(1,635,000)	(2,020,000)
<u>(726,674)</u>	<u>(1,045,726)</u>	<u>(862,918)</u>	<u>(785,931)</u>	<u>(438,574)</u>	<u>(397,600)</u>
<u>15,748,326</u>	<u>17,149,274</u>	<u>9,792,082</u>	<u>11,299,069</u>	<u>18,231,426</u>	<u>19,687,400</u>
<u>\$28,773,817</u>	<u>\$24,628,989</u>	<u>\$31,835,161</u>	<u>\$33,462,876</u>	<u>\$26,111,054</u>	<u>\$24,192,875</u>
64.63%	58.95%	76.48%	74.76%	58.88%	55.13%

**City of Beachwood, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2022*

	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Beachwood
<b>Direct - City of Beachwood, Ohio</b>			
General Obligation Bonds	\$8,004,935	100.00%	\$8,004,935
Special Assessment Bonds	4,039,209	100.00%	4,039,209
<i>Total Direct</i>	<u>12,044,144</u>		<u>12,044,144</u>
<b>Overlapping</b>			
Beachwood City Schools			
General Obligation Bonds	16,385,325	99.69%	16,334,530
Notes Payable	7,272,209	99.69%	7,249,665
Cuyahoga County			
General Obligation Bonds	251,010,600	2.52%	6,325,467
Revenue Bonds	645,165,802	2.52%	16,258,178
Certificates of Participation	183,827,155	2.52%	4,632,444
Loans Payable	1,303,324	2.52%	32,844
Financed Purchases	231,083,108	2.52%	5,823,294
Leases Payable	12,809,798	2.52%	322,807
Regional Transit Authority	<u>43,455,990</u>	2.52%	<u>1,095,091</u>
<i>Total Overlapping</i>	<u>1,392,313,311</u>		<u>58,074,321</u>
<i>Totals</i>	<u><u>\$1,404,357,455</u></u>		<u><u>\$70,118,465</u></u>

Source: Cuyahoga County, Ohio; Fiscal Officer

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the City by the assessed valuation of the political subdivision.

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**City of Beachwood, Ohio**  
*Ratio of General Bonded Debt to Assessed  
Property Values and Ratio of Outstanding Debt to  
Total Personal Income and Debt Per Capita  
Last Ten Years*

Year	General Bonded Debt	Total Assessed Property Value	Percentage of Assessed Property Value	Per Capita (2)
2022	\$8,004,935	\$924,266,190	0.87%	\$570
2021	8,300,058	912,447,130	0.91	591
2020	11,257,850	847,441,300	1.33	942
2019	15,188,389	834,526,610	1.82	1,271
2018	17,045,256	809,493,510	2.11	1,426
2017	18,822,122	759,604,780	2.48	1,575
2016	10,948,316	756,858,970	1.45	916
2015	12,422,396	813,853,540	1.53	1,039
2014	13,851,686	806,226,910	1.72	1,159
2013	15,310,976	797,823,180	1.92	1,281

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

(2) See Schedule on S20 for personal income and population data.

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Other Governmental  
Activities Debt

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Special Assessment Bonds	Total Debt	Percentage of Personal Income (2)	Per Capita (2)
\$4,039,209	\$12,044,144	2.10%	\$858
4,295,437	12,595,495	2.19	897
4,541,665	15,799,515	2.75	1,322
5,222,894	20,411,283	3.56	1,708
5,644,123	22,689,379	3.95	1,898
6,050,351	24,872,473	4.33	2,081
6,446,580	17,394,896	3.03	1,455
6,867,808	19,290,204	3.36	1,614
1,635,000	15,486,686	2.70	1,296
2,020,000	17,330,976	3.02	1,450

**City of Beachwood, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2022	14,040	\$783,488,160	\$55,804	\$88,709	51.4
2021	14,040	783,488,160	55,804	88,709	51.4
2020	11,953	573,863,530	48,010	71,932	52.5
2019	11,953	573,863,530	48,010	71,932	52.5
2018	11,953	573,863,530	48,010	71,932	52.5
2017	11,953	573,863,530	48,010	71,932	52.5
2016	11,953	573,863,530	48,010	71,932	52.5
2015	11,953	573,863,530	48,010	71,932	52.5
2014	11,953	573,863,530	48,010	71,932	52.5
2013	11,953	573,863,530	48,010	71,932	52.5

- (1) Source: 2010 and 2020 U.S. Census.  
(2) Source: Beachwood City School District  
(3) Computation of per capita personal income multiplied by population.  
(4) Ohio Labor Market Website: [www.lmi.state.oh.us](http://www.lmi.state.oh.us)  
(5) Source: Cuyahoga County Fiscal Officer



School Enrollment (2)	Educational Attainment: Bachelor's Degree or Higher (1)	Cuyahoga County Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value
1,618	62.8%	4.9%	\$444,700	\$924,266,190
1,608	62.8	6.5	397,000	912,477,130
1,607	55.6	10.4	357,300	847,441,300
1,548	55.6	4.2	362,400	834,526,610
1,520	55.6	5.2	295,500	809,493,510
1,510	55.6	5.9	301,775	759,604,780
1,498	55.6	5.4	282,364	756,858,970
1,435	55.6	5.0	277,514	813,853,540
1,414	55.6	6.4	269,365	806,226,910
1,497	55.6	7.2	274,896	797,823,180

**City of Beachwood, Ohio**

*Principal Employers*

*2021 (1) and 2012*

2021		
Employer	Employees	Percentage of Total
Cleveland Clinic Foundation	2,932	11.81%
University Hospitals	2,702	10.88
Menorah Park Center	1,453	5.85
Eaton Corporation	924	3.72
Beachwood City School District	507	2.04
Select Employment Services	467	1.88
City of Beachwood	438	1.76
Penske Logistics	379	1.53
Lifetime Fitness Club	320	1.29
University Hospitals Health System	281	1.13
Total	<u>10,403</u>	<u>41.89%</u>
Total Employment within the City	<u>24,835</u>	

2012		
Employer	Employees	Percentage of Total
Cleveland Clinic Foundation	1,355	5.43%
Menorah Park Center	1,010	4.05
Nordstrom	747	2.99
Maxim Healthcare Services	664	2.66
Beachwood City School District	577	2.31
Montefire Home	543	2.18
Developers Diversified	521	2.09
City of Beachwood	482	1.93
Tremco Inc.	250	1.00
Aleris Ohio Management	239	0.97
Total	<u>6,388</u>	<u>25.61%</u>
Total Employment within the City	<u>24,943</u>	

Source: Estimates from the Regional Income Tax Agency based on the number of W-2's filed for the year.

(1) Information for 2022 was not available as of 12/31/22.

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**City of Beachwood, Ohio**  
*Capital Assets Statistics by Function/Program*  
*Last Ten Years*

<b>Function/Program</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>General Government</b>				
Square Footage Occupied	70,786	70,786	70,786	70,786
Vehicles	3	2	2	2
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	72,254	72,254	72,254	72,254
Vehicles	34	33	34	32
<b>Fire Station</b>				
Stations	2	2	2	2
Square Footage of Fire Station #1	21,970	21,970	21,970	21,970
Square Footage of Fire Station #2 (1)	25,615	25,615	25,615	25,615
Vehicles	16	16	16	16
<b>Public Service</b>				
Streets (miles)	46	46	46	46
Vehicles	65	64	67	67
Square Footage of Building	182,000	182,000	300,000	300,000
<b>Culture and Recreation</b>				
Number of Parks (2)	3	3	3	3
Number of Pools	1	1	1	1
Vehicles	6	7	7	7
Square Footage of Community Center	14,000	14,000	14,000	14,000
<b>Building and Community Development</b>				
Vehicles	6	6	6	6

(1) In 2018, the City completed construction of a new Fire Station #2 building.

(2) In 2019, the City completed construction of a new dog park.

Source: City Hall records

2018	2017	2016	2015	2014	2013
70,786	70,786	70,786	70,786	70,786	70,786
2	2	2	2	2	2
1	1	1	1	1	1
72,254	72,254	72,254	72,254	72,254	72,254
32	31	33	33	34	35
2	2	2	2	2	2
21,970	21,970	21,970	21,970	21,970	21,970
25,615	5,472	5,472	5,472	5,472	5,472
16	16	16	15	15	14
46	46	46	46	46	46
67	66	68	63	60	56
300,000	300,000	300,000	300,000	300,000	300,000
2	2	2	2	2	2
1	1	1	1	1	1
7	7	6	5	5	4
14,000	14,000	14,000	14,000	14,000	14,000
6	6	6	6	6	6

**City of Beachwood, Ohio**  
*Operating Indicators by Function/Program*  
*Last Ten Years*

Function/Program	2022	2021	2020 (1)	2019
<b>General Government</b>				
Number of Ordinances and Resolutions	165	168	173	170
Number of non-payroll checks processed	3,444	3,237	3,373	3,975
Number of purchase orders issued	2,939	2,679	2,690	3,298
<b>Public Safety</b>				
<b>Police</b>				
Total arrests	608	516	527	1,041
Drug arrests	22	23	48	53
OVI arrests (formally DUI)	52	56	36	117
Warrants served	209	166	151	406
<b>Fire</b>				
Total EMS and Fire responses	5,528	5,605	4,480	5,605
Total Fire responses	1,235	1,452	968	1,452
Total EMS responses	4,293	4,153	3,512	4,153
Routine fire safety inspections	1,237	1,258	1,765	1,275
Re-inspections	527	632	454	563
<b>Public Services</b>				
Tons of rubbish picked up	3,360	3,737	3,879	3,429
Tons of leaves collected for recycling	1,740	1,260	942	603
Number of trees planted	116	304	219	221
Number of catch basins cleaned and repaired	404	547	33	210
Tons of cold patch used	20	10	10	0
Tons of concrete poured and finished	513	209	248	405
Tons of salt purchased	9,940	6,821	5,910	7,976
<b>Culture and Recreation</b>				
Total attendance at Aquatic Center	51,814	44,420	0	44,002
<b>Building and Community Development</b>				
Number of permits issued	190	203	283	388

N/A - Data not available

(1) Due to the pandemic, many programs and services, including the pool, were cancelled for most of the year.

Source: City records

2018	2017	2016	2015	2014	2013
200	171	168	187	152	167
4,046	4,286	4,326	4,234	4,280	4,137
3,515	3,839	4,233	4,363	4,445	4,143
1,167	955	745	733	N/A	1,037
290	157	34	7	N/A	34
147	87	107	102	97	61
324	398	301	248	322	116
5,501	5,178	5,262	4,980	4,609	4,593
1,321	979	985	957	907	1,351
4,180	4,199	4,277	4,023	3,702	3,242
1,326	666	657	1,385	1,525	1,137
1,193	373	306	611	830	930
3,410	3,380	3,297	3,416	3,310	3,296
487	409	409	405	2,835	2,640
222	255	428	469	145	204
131	205	439	495	545	527
31	10	199	20	20	19
821	662	1,275	530	1,152	514
12,973	8,414	7,345	10,532	16,457	8,262
49,755	46,179	48,482	49,401	44,031	45,049
355	365	419	454	375	329

**City of Beachwood, Ohio**  
*Full-Time Equivalent City Government Employees by Function/Program*  
*Last Ten Years*

	2022	2021	2020 (2)	2019
General Government				
Council	7.0	7.0	7.0	7.0
Mayor's Office	3.0	3.0	3.0	3.0
Economic Development	1.0	0.0	0.0	1.0
Human Resources	1.0	2.0	2.0	2.0
Finance	10.0	10.0	10.0	11.0
Law	4.0	5.0	3.0	3.0
Public Safety				
Police Administration	6.0	6.0	6.0	6.0
Police Officers	42.0	45.0	42.0	45.0
Dispatchers	15.0	15.0	15.0	15.0
Police - Correction Officers	6.0	8.0	8.5	8.5
Police - Crossing Guards	6.0	6.0	6.0	6.0
Fire Administration	5.5	5.5	5.5	5.5
Fire Fighters	45.0	42.0	42.0	42.0
Public Service	57.0	55.0	55.5	58.0
Culture and Recreation				
Recreation Administration	10.0	10.0	13.5	13.5
Recreation Camps	41.5	37.5	0.0	48.5
Recreation Other	8.5	6.5	6.0	13.0
Pool and Parks	32.5	30.0	0.0	38.5
Building and Community Development				
Building Department	10.5	10.5	10.5	10.5
Total	<u>311.5</u>	<u>304.0</u>	<u>235.5</u>	<u>337.0</u>

Source: City of Beachwood records

Method: Using 1.0 for each full-time employee and 0.50 for each part time and seasonal employee.  
 Counts are as of December 31 of each year.

(1) The decrease in total employees is mostly due to nine full-time vacancies as of December 31, 2016.

(2) Due to the pandemic, most recreational programs were cancelled and most part-time/seasonal positions were not filled.



2018	2017	2016 (1)	2015	2014	2013
7.0	7.0	7.0	7.0	7.0	7.0
3.0	3.0	3.0	3.0	3.0	3.0
1.0	1.0	2.0	2.0	2.0	2.0
2.0	2.0	2.0	2.0	2.0	2.0
11.0	10.0	7.0	9.0	9.0	9.0
3.0	3.5	2.5	4.5	4.5	2.5
6.0	6.0	3.0	3.0	3.0	3.0
43.0	44.0	40.0	43.0	40.0	43.0
14.0	15.0	14.0	15.0	13.0	15.0
8.5	9.0	9.0	10.0	9.0	9.5
6.5	6.0	6.5	6.5	6.5	6.5
5.0	5.0	6.0	6.0	6.5	6.5
42.0	42.0	40.0	42.0	42.0	39.0
61.0	60.0	59.5	57.5	55.0	55.0
13.5	13.5	13.5	13.0	13.5	13.5
51.5	51.5	47.0	48.5	50.5	50.0
13.5	12.5	17.0	17.0	18.0	18.0
33.5	30.0	30.5	31.5	32.5	36.5
10.5	10.5	9.5	10.5	10.5	10.5
335.5	331.5	319.0	331.0	327.5	331.5

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF BEACHWOOD**

**CUYAHOGA COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/19/2023**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)