



THE CITY OF BEACHWOOD OHIO

- ANNUAL COMPREHENSIVE FINANCIAL REPORT -

ACFR

*for the year ended*  
DECEMBER 31, 2024

CITY OF  
*Beachwood*

**THE CITY OF BEACHWOOD OHIO**  
**Annual Comprehensive Financial Report**  
**for the year ended December 31, 2024**

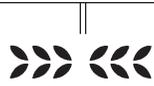
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**PREPARED BY:** *Office of the Finance Director*  
*Larry A. Heiser, CPA*  
*Finance Director*

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INTRODUCTORY SECTION



**City of Beachwood, Ohio**  
*Annual Comprehensive Financial Report*  
*For the Year Ended December 31, 2024*  
*Table of Contents*

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	Page
<b>I. Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal .....	iv
City Officials.....	ix
Organizational Chart.....	x
GFOA Certificate of Achievement .....	xi
 <b>II. Financial Section</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	5
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position .....	16
Statement of Activities.....	17
 Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	19
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds .....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund .....	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Eaton Tax Increment Financing Fund .....	23
Statement of Fund Net Position – Proprietary Fund .....	24
Statement of Revenues, Expenses and Changes In Fund Net Position – Proprietary Fund .....	25
Statement of Cash Flows – Proprietary Fund .....	26

Statement of Fiduciary Net Position – Custodial Funds .....	27
Statement of Changes in Fiduciary Net Position – Custodial Funds .....	28
Notes to the Basic Financial Statements .....	29
Required Supplementary Information:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – OPERS – Traditional Plan.....	80
Schedule of the City’s Proportionate Share of the Net Pension Asset – OPERS – Combined Plan.....	82
Schedule of the City’s Proportionate Share of the Net OPEB Liability (Asset) – OPERS – OPEB Plan .....	84
Schedule of the City’s Proportionate Share of the Net Pension Liability – Ohio Police and Fire Pension Fund.....	86
Schedule of the City’s Proportionate Share of the Net OPEB Liability – Ohio Police and Fire Pension Fund.....	88
Schedule of City Contributions – OPERS .....	90
Schedule of City Contributions – Ohio Police and Fire Pension Fund .....	92
Notes to the Required Supplementary Information .....	94
Combining and Individual Fund Statements and Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions .....	99
Combining Balance Sheet – Nonmajor Governmental Funds .....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	102
Combining Statement – Fiduciary Funds:	
Fund Descriptions .....	104
Combining Statement of Fiduciary Net Position – Custodial Funds .....	105
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds .....	106
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Equity – Budget (Non-GAAP Basis) and Actual	
General Fund.....	108
Eaton Tax Increment Financing Fund.....	112
Bond Retirement Fund.....	113
Capital Improvements Fund.....	114
Street Construction, Maintenance and Repair Fund .....	115
State Highway Fund.....	116
Mayor’s Court Improvement Fund .....	117
Law Enforcement Trust Fund .....	118
Police Pension Fund.....	119
Street Lights Fund.....	120
Omnova Tax Increment Financing Fund .....	121

Barkwood Donations Fund.....	122
OneOhio Opioid Fund.....	123
American Rescue Plan Act Fund .....	124
Northeast Ohio Public Energy Council Grant Fund.....	125
Revolving Loan Fund .....	126
Self-Insurance Fund .....	127

### III. Statistical Section

Contents .....	S1
Net Position by Component - Last Ten Years .....	S2
Changes in Net Position - Last Ten Years .....	S4
Fund Balances, Governmental Funds - Last Ten Years.....	S6
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S8
Income Tax Revenue Base and Collections - Last Ten Years .....	S10
Income Tax Statistics - 2023 and Nine Years Ago.....	S12
Principal Income Taxpayers – Current Year and Nine Years Ago.....	S13
Legal Debt Margin - Last Ten Years .....	S14
Computation of Direct and Overlapping Governmental Activities Debt .....	S16
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 .....	S18
Demographic and Economic Statistics – Last Ten Years .....	S20
Principal Employers 2023 and Nine Years Ago .....	S22
Capital Assets Statistics by Function/Program – Last Ten Years.....	S24
Operating Indicators by Function/Program - Last Ten Years .....	S26
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Years .....	S28

June 27, 2025

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, 2024, 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 2024, the City was audited by Charles E. Harris & Associates, Inc. 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 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 an Aaa rating with Moody's Investor Service, the largest recognized rating agency of municipal debt. This rating demonstrates 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 this rating and will strive to continue at the level of excellence required to maintain the rating.

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 \$95,400,000 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, \$7,130,000 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 Public Works Building, a new dog park, community gardens, pickleball courts and a new playground.

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.

The City's Economic Development Department administers several programs to support job creation and business growth.

**Job Creation Grant Program:** Beachwood did not award any grants in 2024; there are currently two grants outstanding with Masterbrand Cabinets and Trailhead Biosystems. Both companies bring new payroll to Beachwood.

**Community Reinvestment Area (CRA):** Beachwood currently has one CRA area. Skoda Dentistry was granted a CRA agreement in 2024 and Lee-Silsby Company has an active CRA agreement issued in 2019.

**Forgivable Loan Program:** In 2024 the City awarded one loan to Innovative Medical Equipment for \$20,000. If jobs are created as anticipated by the company, a portion or all of the loan could be forgiven in 2027. This program encourages commercial property owners and tenants to reinvest in aging buildings.

These programs are designed to strengthen Beachwood's municipal income tax base, which is the largest source of revenue for the City. In 2024 income tax revenue declined slightly.

### **Major initiatives**

Recreational Facilities upgrades in 2023 began with the opening of a new community gardens which included ADA (Americans with Disabilities Act) accessible plots. Six new pickleball courts were added. Sand and grass volleyball courts opened in 2024. The new and innovative playground opened in May 2024.

The City spent \$5.4 million in 2024 on storm water sewer improvements, bringing the three-year total spend to approximately \$10.2 million for storm water and sanitary sewer improvements. An additional \$2.9 million is expected to be spent in 2025.

Porsche Beachwood opened a new expanded facility in 2024 on 6.5 acres visible along 271.

Ahuja Medical Center completed a major construction for the UH Drusinsky Sports Medicine Institute with estimated costs of \$147 million.

The Mayor's office collaborated with City Council in partnership with the Beachwood City School District to temporarily reduce the City's property tax millage to offset the increase from the passage of a School District levy to build two new school buildings within the City of Beachwood; this agreement is slated for three years 2024 through 2026.

The City purchased a 17-acre site in 2024, which was the former home to Fairmount Temple, the City administration views the purchase as a once-in-a-lifetime opportunity to control the future housing development on the site.

## 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, 2023.

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, 2024*

ELECTED OFFICIALS

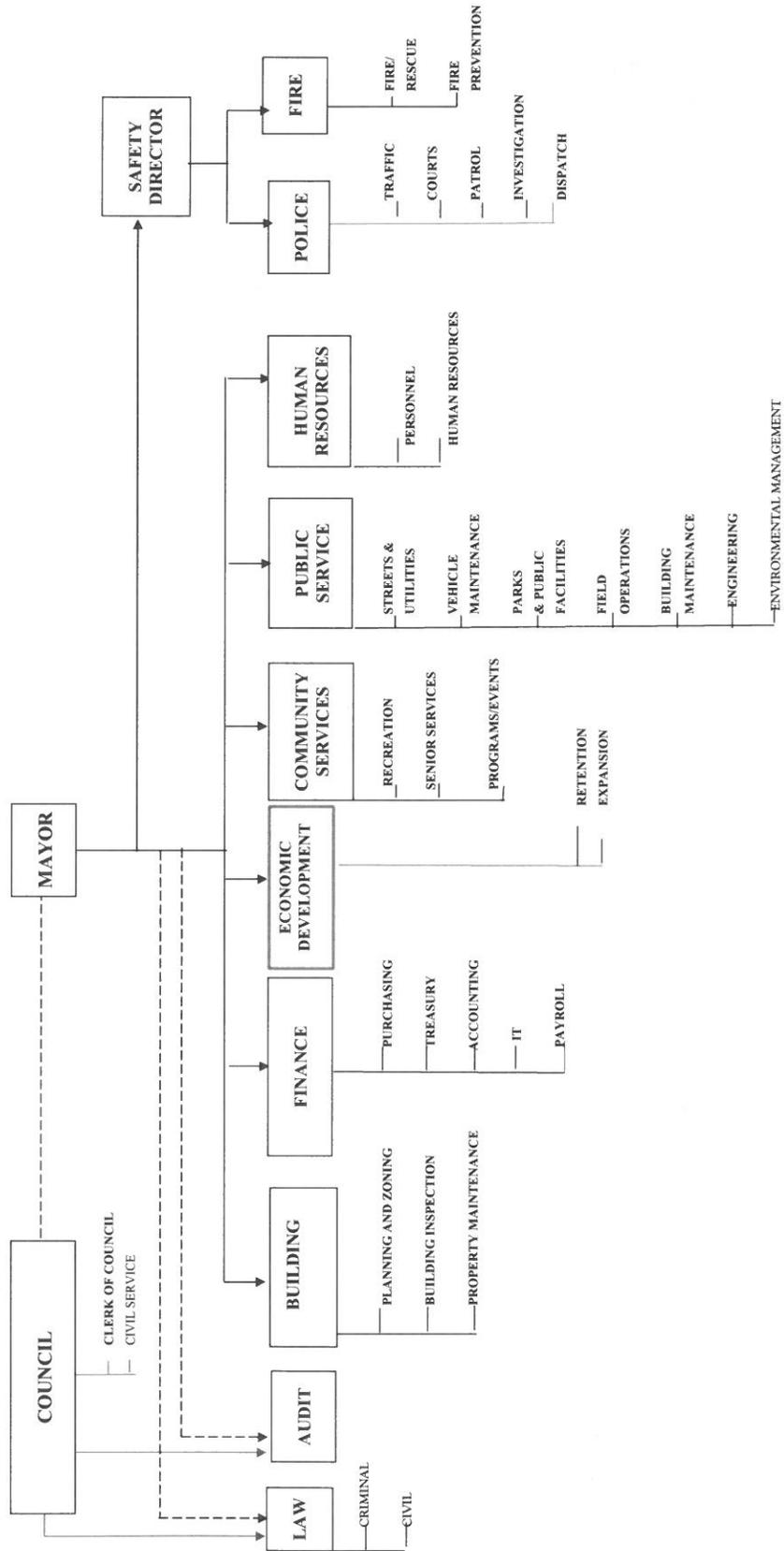
Mayor-Safety Director ..... Justin Berns  
President of Council ..... Alec Isaacson  
  
Council Member ..... Jillian DeLong  
Council Member ..... Joshua Mintz  
Council Member ..... Danielle Shoykhet  
Council Member ..... Ali Stern  
Council Member ..... Eric Synenberg  
Council Member ..... June Taylor

APPOINTED OFFICIALS

Finance Director ..... Larry Heiser  
Police Chief ..... Daniel Grispino  
Fire Chief ..... Steven Holtzman  
Service Director ..... Chris Arrietta  
Building Commissioner ..... Brian Roenigk  
Clerk of Courts ..... Kelly Resek  
Community Service Director ..... Derek Schroeder  
Law Director ..... R. Todd Hunt  
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, 2023

*Christopher P. Morill*

Executive Director/CEO

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FINANCIAL SECTION



**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, 2024, 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, 2024, 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 City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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.

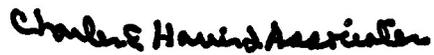
***Other Information***

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 June 27, 2025, 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.***  
June 27, 2025

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*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, 2024. 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 2024 are as follows:

- The City's total net position increased by approximately \$3.6 million.
- At December 31, 2024, the unassigned fund balance for the general fund was \$10.8 million and is available for spending at the City's discretion. The unassigned fund balance equals 22.5 percent of total current year general fund expenditures.
- Total fund balances for all governmental funds decreased from \$64.4 million at the end of 2023 to \$60.4 million at the end of 2024.
- Depreciable capital assets increased by approximately \$10.8 million largely due to an investment in road improvements, storm sewer upgrades and recreational facilities.

### **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-

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

---

sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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's fiduciary funds are custodial.

**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 2024 and 2023.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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

	Governmental Activities		
	2024	2023	Change
<b>Assets</b>			
Total Current and Other Assets	\$79,477,865	\$79,333,597	\$144,268
Net Pension/OPEB Asset	654,831	28,801	626,030
Nondepreciable Capital Assets	12,882,641	13,834,045	(951,404)
Depreciable Capital Assets, Net	84,700,525	73,874,833	10,825,692
Total Assets	177,715,862	167,071,276	10,644,586
<b>Deferred Outflows of Resources</b>			
Pension	17,560,717	20,216,418	(2,655,701)
OPEB	2,133,997	3,050,198	(916,201)
Total Deferred Outflows of Resources	19,694,714	23,266,616	(3,571,902)
<b>Liabilities</b>			
Total Current and Other Liabilities	4,348,086	3,401,240	(946,846)
Long-Term Liabilities:			
Due Within One Year	3,564,656	2,962,689	(601,967)
Due In More Than One Year			
Net Pension Liability	56,060,755	55,479,856	(580,899)
Net OPEB Liability	2,839,011	3,034,490	195,479
Other Amounts	15,403,797	12,722,586	(2,681,211)
Total Liabilities	82,216,305	77,600,861	(4,615,444)
<b>Deferred Inflows of Resources</b>			
Property Taxes	1,547,790	736,841	(810,949)
Payments in Lieu of Taxes	4,972,472	2,808,772	(2,163,700)
Pension	2,010,471	2,872,510	862,039
OPEB	2,921,687	3,107,248	185,561
Total Deferred Inflows of Resources	11,452,420	9,525,371	(1,927,049)
<b>Net Position</b>			
Net Investment in Capital Assets	86,151,507	76,346,685	9,804,822
Restricted for:			
Debt Service	3,872,908	4,337,834	(464,926)
Unclaimed Monies	11,739	12,109	(370)
Streets	3,400,843	2,523,171	877,672
Eaton TIF	6,748,214	7,119,003	(370,789)
Pension and OPEB Plans	654,831	28,801	626,030
Other Purposes	1,171,411	858,907	312,504
Unrestricted	1,730,398	11,985,150	(10,254,752)
Total Net Position	\$103,741,851	\$103,211,660	\$530,191

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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***New Accounting Pronouncements***

For 2024, the City implemented GASB Statement No. 101 *Compensated Absences*. The City also implemented GASB Statement No. 100 *Accounting Changes and Error Corrections*, which does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$3,084,198 in governmental activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. (See Note 19)

***Government Activities***

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2024. 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 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 2023 to 2024 as indicated by the increase in total net position for governmental activities of \$3,614,389. 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

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

are subtracted from total net position, the total net position for 2024 and 2023, respectively, is \$147,224,230 and \$141,326,149. Under this scenario, the City's financial position increased by \$2,813,883.

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 2024 and 2023.

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

	Governmental Activities		
	2024	2023	Change
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$4,337,638	\$4,292,962	\$44,676
Operating Grants, Contributions and Interest	1,471,255	1,354,590	116,665
Capital Grants and Contributions	3,939,955	753,394	3,186,561
General Revenues			
Property Taxes	1,257,914	3,298,932	(2,041,018)
Payments in Lieu of Taxes	3,529,613	4,630,696	(1,101,083)
Municipal Income Taxes	44,495,317	43,253,157	1,242,160
Admission, Lodging and Franchise Taxes	1,331,443	1,263,642	67,801
Grants and Entitlements Not Restricted to Specific Purposes	545,178	1,625,498	(1,080,320)
Investment Earnings/Interest	2,544,887	2,791,759	(246,872)
Other	679,541	793,210	(113,669)
Total Revenues	<u>64,132,741</u>	<u>64,057,840</u>	<u>74,901</u>
<b>Program Expenses</b>			
General Government	15,937,187	13,758,914	(2,178,273)
Public Safety:			
Police	13,880,303	14,004,497	124,194
Fire	11,410,833	11,034,511	(376,322)
Public Services	14,096,620	14,462,432	365,812
Culture and Recreation	3,407,044	2,617,056	(789,988)
Building and Community Development	1,447,864	1,517,877	70,013
Interest	338,501	355,168	16,667
Total Expenses	<u>60,518,352</u>	<u>57,750,455</u>	<u>(2,767,897)</u>
Change in Net Position	3,614,389	6,307,385	(2,692,996)
Net Position Beginning of Year	103,211,660	96,904,275	6,307,385
Restatement - Change in Accounting Principle	<u>(3,084,198)</u>	<u>0</u>	<u>(3,084,198)</u>
Net Position End of Year	<u>\$103,741,851</u>	<u>\$103,211,660</u>	<u>\$530,191</u>

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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***New Accounting Pronouncements***

The above table separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, Compensated Absences. GASB Statement No. 100, Accounting Changes and Error Corrections does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2023 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, Compensated Absences. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 19.)

***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 \$44,495,317 in income tax collections or 69.4 percent of total 2024 revenue.

Other significant sources of revenue include charges for services and payments in lieu of property taxes of which the City received \$4,337,638 and \$3,529,613, respectively, in 2024. The decrease in investment revenue is due to the fair market valuation of the City's investments. Capital grants and contribution increased due to reimbursements from the Northeast Ohio Regional Sewer District for their share of various sewer projects.

The decrease in property taxes is due to the following: In 2023, Council passed an ordinance reducing the amount of millage levied for property taxes from \$4.00 per \$1,000 assessed value to \$1.60 per \$1,000. The purpose of this reduction was to temper the tax burden on the Beachwood community due to the successful passage of a school levy. The intention of Council is to reduce the millage for three years and then revert back to the \$4.00 per \$1,000 assessed value in tax year 2026 (collection year 2027). This also reduced grants and entitlements not restricted to specific purposes as the City is getting less homestead and rollback from the State of Ohio.

In 2024, the City experienced an increase in income taxes (\$44,495,317 in 2024 compared to \$43,253,157 in 2023 – 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, 2024*  
*Unaudited*

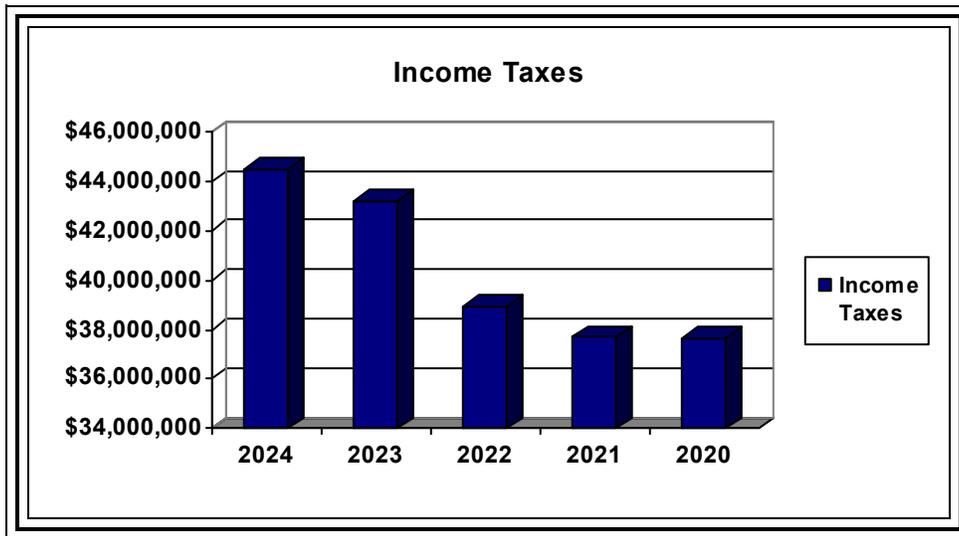


Table 3 presents a summary of governmental activity expenses and the net cost of providing these services (excluding general revenues).

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

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
General Government	\$15,937,187	(\$15,877,110)	\$13,758,914	(\$13,696,636)
Public Safety				
Police	13,880,303	(12,666,854)	14,004,497	(12,884,811)
Fire	11,410,833	(9,925,169)	11,034,511	(9,629,139)
Public Services	14,096,620	(9,290,304)	14,462,432	(13,322,456)
Culture and Recreation	3,407,044	(2,194,272)	2,617,056	(1,110,605)
Building and				
Community Development	1,447,864	(477,294)	1,517,877	(350,694)
Interest	338,501	(338,501)	355,168	(355,168)
<b>Total</b>	<b>\$60,518,352</b>	<b>(\$50,769,504)</b>	<b>\$57,750,455</b>	<b>(\$51,349,509)</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 decreased in 2024.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

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Police and Fire account for approximately 41.8 percent of total 2024 expenses. Public services expenses account for approximately 23.3 percent of total 2024 expenses. A significant portion of these expenses can be attributed to salaries, employee benefits and infrastructure depreciation. General government expenses account for approximately 26.3 percent of total 2024 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, 2024 and 2023 were \$25,831,923 and \$36,024,477, respectively. In 2024, property taxes decreased by \$2,909,125. This is largely due to the City's decision to forgo collecting 2.4 mills of property tax through 2026. Income taxes increased due to employer withholdings. These increases were offset by the increase in expenditures and transfers out. Overall expenditures increased due to contracted salary increases. The increase in transfers out to the capital improvements fund is due to the City's continued commitment to improving roads, sewers, and recreational facilities.

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, 2024 was \$6,748,214 which is a decrease of \$370,789 from the prior year. The decrease is due to payments in lieu of taxes being less than TIF service payments.

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, 2024 and 2023 were \$380,263 and \$484,094, respectively. The bond retirement fund receives revenue through special assessments levied against various property owners, property taxes and transfers from the general fund. The decrease in fund balance is due to a decrease in the amount of money transferred into the 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, 2024 and 2023 were \$23,271,827 and \$17,871,954, respectively. The increase in fund balance is largely due to an increase in the amount of money transferred into the fund.

### ***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.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

For the general fund (excluding other financing sources and uses), final budgeted revenues were \$52,097,605; and actual revenue collections were \$51,031,804. The difference is due to municipal income tax revenues coming in lower than estimated due to the timing of employee withholding collections. Final budgeted appropriations were \$60,363,324 and actual expenditures were \$50,937,979. Part of the difference between budgeted appropriations and actual expenditures is due to Police department staffing levels. The Police department budget assumed full staffing levels; however, there were several vacancies throughout the year. 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 property tax revenue. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. The subscription payable was paid out of the general fund. See Note 17 to the basic financial statements for more information regarding the City's outstanding debt.

Table 4 summarizes outstanding debt at December 31, 2024 compared to December 31, 2023.

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

	Governmental Activities	
	2024	2023
Special Assessment Bonds	\$3,506,751	\$3,777,980
General Obligation Bonds	7,399,689	7,704,812
Subscriptions Payable	0	18,099
<i>Totals</i>	\$10,906,440	\$11,500,891

***Capital Assets***

Table 5 compares capital assets as of December 31, 2024 to balances at December 31, 2023.

**City of Beachwood, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2024*  
*Unaudited*

	2024	2023
Land	\$12,882,641	\$12,882,641
Construction in Progress	0	951,404
Land Improvements	5,156,920	1,811,498
Buildings and Improvements	34,265,238	35,399,022
Infrastructure		
Streets	24,718,687	21,858,839
Sanitary Sewers	4,741,986	1,422,924
Storm Sewers	6,169,491	6,316,429
I-Net Fiber	696,727	713,496
Traffic Signals	502,408	511,861
Machinery and Equipment	3,726,932	2,039,507
Vehicles	4,675,021	3,716,865
Intangible Right to Use - Software	47,115	84,392
<i>Totals</i>	<u>\$97,583,166</u>	<u>\$87,708,878</u>

Significant capital asset additions include South Green, Mercantile, and Campus street improvements, South Green sanitary sewer improvements and recreation facilities improvements.

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 \$4.1 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. 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, 2024*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$48,092,882
Accounts Receivable	218,974
Loans Receivable	322,105
Admission Taxes Receivable	33,809
Lodging Taxes Receivable	60,278
Franchise Taxes Receivable	28,065
Intergovernmental Receivable	964,172
Materials and Supplies Inventory	1,176,465
Prepaid Items	515,636
Property Taxes Receivable	1,619,902
Income Taxes Receivable	9,542,145
Payments in Lieu of Property Taxes Receivable	4,972,472
Special Assessments Receivable	3,930,960
Asset Held for Resale	8,000,000
Net Pension Asset	51,898
Net OPEB Asset	602,933
Nondepreciable Capital Assets	12,882,641
Depreciable Capital Assets, Net	84,700,525
	177,715,862
<b>Deferred Outflows of Resources</b>	
Pension	17,560,717
OPEB	2,133,997
	19,694,714
<b>Liabilities</b>	
Accounts Payable	851,662
Retainage Payable	460,102
Accrued Wages	1,116,239
Personal Leave Payable	157,399
Intergovernmental Payable	1,046,178
Accrued Interest Payable	29,252
Deposits Held and Due to Others	142,753
Contracts Payable	506,557
Claims Payable	37,944
Long-Term Liabilities:	
Due Within One Year	3,564,656
Due In More Than One Year	
Net Pension Liability (See Note 13)	56,060,755
Net OPEB Liability (See Note 14)	2,839,011
Other Amounts	15,403,797
	82,216,305
<b>Deferred Inflows of Resources</b>	
Property Taxes	1,547,790
Payments in Lieu of Taxes	4,972,472
Pension	2,010,471
OPEB	2,921,687
	11,452,420
<b>Net Position</b>	
Net Investment in Capital Assets	86,151,507
Restricted for:	
Debt Service	3,872,908
Unclaimed Monies	11,739
Streets	3,400,843
Eaton TIF	6,748,214
Pension and OPEB Plans	654,831
Other Purposes	1,171,411
Unrestricted	1,730,398
	\$103,741,851

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants Contributions and Interest	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General Government	\$15,937,187	\$60,077	\$0	\$0	(\$15,877,110)
Public Safety:					
Police	13,880,303	608,555	604,894	0	(12,666,854)
Fire	11,410,833	1,485,664	0	0	(9,925,169)
Public Services	14,096,620	0	866,361	3,939,955	(9,290,304)
Culture and Recreation	3,407,044	1,212,772	0	0	(2,194,272)
Building and Community Development	1,447,864	970,570	0	0	(477,294)
Interest	338,501	0	0	0	(338,501)
<i>Total Governmental Activities</i>	<u>\$60,518,352</u>	<u>\$4,337,638</u>	<u>\$1,471,255</u>	<u>\$3,939,955</u>	<u>(50,769,504)</u>
<b>General Revenues</b>					
Property Taxes Levied for					
General Purposes					166,256
Police Pension					702,976
Bond Retirement					388,682
Payments in Lieu of Taxes					3,529,613
Municipal Income Taxes Levied for					
General Purposes					44,495,317
Admission, Lodging and Franchise Taxes					1,331,443
Grants and Entitlements not Restricted to Specific Programs					545,178
Investment Earnings/Interest					2,544,887
Other					679,541
<i>Total General Revenues</i>					<u>54,383,893</u>
Change in Net Position					<u>3,614,389</u>
<i>Net Position Beginning of Year as Previously Reported</i>					103,211,660
<i>Restatement - Change in Accounting Principle (See Note 19)</i>					(3,084,198)
<i>Restated Net Position Beginning of Year</i>					<u>100,127,462</u>
<i>Net Position End of Year</i>					<u>\$103,741,851</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2024*

	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$19,107,403	\$6,748,214	\$380,263	\$16,096,978	\$4,104,948	\$46,437,806
Property Taxes Receivable	404,976	0	404,976	0	809,950	1,619,902
Payments in Lieu of Taxes Receivable	0	4,782,558	0	0	189,914	4,972,472
Income Taxes Receivable	9,542,145	0	0	0	0	9,542,145
Loans Receivable	20,000	0	0	302,105	0	322,105
Admission Taxes Receivable	33,809	0	0	0	0	33,809
Lodging Taxes Receivable	60,278	0	0	0	0	60,278
Franchise Taxes Receivable	28,065	0	0	0	0	28,065
Accounts Receivable	127,341	0	0	0	91,633	218,974
Intergovernmental Receivable	262,503	0	14,349	345,134	342,186	964,172
Materials and Supplies Inventory	1,176,465	0	0	0	0	1,176,465
Prepaid Items	515,636	0	0	0	0	515,636
Assets Held for Resale	0	0	0	8,000,000	0	8,000,000
Special Assessments Receivable	0	0	3,930,960	0	0	3,930,960
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	155,076	0	0	0	0	155,076
<b>Total Assets</b>	<b>\$31,433,697</b>	<b>\$11,530,772</b>	<b>\$4,730,548</b>	<b>\$24,744,217</b>	<b>\$5,538,631</b>	<b>\$77,977,865</b>
<b>Liabilities</b>						
Accounts Payable	\$703,905	\$0	\$0	\$145,188	\$2,569	\$851,662
Retainage Payable	0	0	0	460,102	0	460,102
Accrued Wages	1,116,239	0	0	0	0	1,116,239
Personal Leave Payable	157,399	0	0	0	0	157,399
Intergovernmental Payable	1,023,585	0	0	22,009	0	1,045,594
Contracts Payable	0	0	0	506,557	0	506,557
Payable from Restricted Assets:						
Intergovernmental Payable	584	0	0	0	0	584
Deposits Held and Due to Others	142,753	0	0	0	0	142,753
<b>Total Liabilities</b>	<b>3,144,465</b>	<b>0</b>	<b>0</b>	<b>1,133,856</b>	<b>2,569</b>	<b>4,280,890</b>
<b>Deferred Inflows of Resources</b>						
Property Taxes	386,948	0	386,948	0	773,894	1,547,790
Payments in Lieu of Taxes	0	4,782,558	0	0	189,914	4,972,472
Unavailable Revenue	2,070,361	0	3,963,337	338,534	359,251	6,731,483
<b>Total Deferred Inflows of Resources</b>	<b>2,457,309</b>	<b>4,782,558</b>	<b>4,350,285</b>	<b>338,534</b>	<b>1,323,059</b>	<b>13,251,745</b>
<b>Fund Balances</b>						
Nonspendable	1,703,840	0	0	0	0	1,703,840
Restricted	0	6,748,214	380,263	0	4,208,953	11,337,430
Committed	1,477,782	0	0	2,130,521	4,050	3,612,353
Assigned	11,872,616	0	0	21,141,306	0	33,013,922
Unassigned	10,777,685	0	0	0	0	10,777,685
<b>Total Fund Balances</b>	<b>25,831,923</b>	<b>6,748,214</b>	<b>380,263</b>	<b>23,271,827</b>	<b>4,213,003</b>	<b>60,445,230</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$31,433,697</b>	<b>\$11,530,772</b>	<b>\$4,730,548</b>	<b>\$24,744,217</b>	<b>\$5,538,631</b>	<b>\$77,977,865</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, 2024*

<b>Total Governmental Fund Balances</b>		\$60,445,230
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		97,583,166
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	72,112	
Intergovernmental	664,314	
Special Assessments	3,930,960	
Settlements	91,633	
Municipal Income Taxes	1,972,464	
Total		6,731,483
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.		1,462,056
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due.		(29,252)
The net pension/OPEB assets and liabilities 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 Pension Asset	51,898	
Net OPEB Asset	602,933	
Deferred Outflows - Pension	17,560,717	
Deferred Inflows - Pension	(2,010,471)	
Net Pension Liability	(56,060,755)	
Deferred Outflows - OPEB	2,133,997	
Deferred Inflows - OPEB	(2,921,687)	
Net OPEB Liability	(2,839,011)	
Total		(43,482,379)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Special Assessment Bonds	(3,506,751)	
General Obligation Bonds	(7,399,689)	
Compensated Absences	(8,062,013)	
Total		(18,968,453)
<i>Net Position of Governmental Activities</i>		<b>\$103,741,851</b>

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, 2024*

	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$168,862	\$0	\$422,159	\$0	\$759,859	\$1,350,880
Municipal Income Taxes	44,136,745	0	0	0	0	44,136,745
Charges for Services	3,162,083	0	0	0	0	3,162,083
Fines, Licenses and Permits	1,138,768	0	0	0	6,505	1,145,273
Intergovernmental	500,225	0	29,497	3,601,421	1,397,150	5,528,293
Admission Taxes	421,336	0	0	0	0	421,336
Lodging Taxes	799,353	0	0	0	0	799,353
Franchise Taxes	110,754	0	0	0	0	110,754
Payments in Lieu of Taxes	0	3,261,417	0	0	268,196	3,529,613
Special Assessments	0	0	359,904	0	13,118	373,022
Settlements	0	0	0	0	39,786	39,786
Investment Earnings/Interest	2,525,672	0	0	0	90,830	2,616,502
Other	251,176	0	0	427,750	615	679,541
<i>Total Revenues</i>	<u>53,214,974</u>	<u>3,261,417</u>	<u>811,560</u>	<u>4,029,171</u>	<u>2,576,059</u>	<u>63,893,181</u>
<b>Expenditures</b>						
Current:						
General Government	11,219,780	3,632,206	0	0	268,196	15,120,182
Public Safety:						
Police	11,460,874	0	0	0	986,016	12,446,890
Fire	9,928,882	0	0	0	0	9,928,882
Public Services	10,784,668	0	0	0	54,656	10,839,324
Culture and Recreation	3,151,458	0	0	0	0	3,151,458
Building and						
Community Development	1,342,972	0	0	0	0	1,342,972
Capital Outlay	0	0	0	14,129,298	0	14,129,298
Debt Service:						
Principal Retirement	18,099	0	545,000	0	0	563,099
Interest	795	0	370,391	0	0	371,186
<i>Total Expenditures</i>	<u>47,907,528</u>	<u>3,632,206</u>	<u>915,391</u>	<u>14,129,298</u>	<u>1,308,868</u>	<u>67,893,291</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,307,446</u>	<u>(370,789)</u>	<u>(103,831)</u>	<u>(10,100,127)</u>	<u>1,267,191</u>	<u>(4,000,110)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers In	0	0	0	15,500,000	0	15,500,000
Transfers Out	(15,500,000)	0	0	0	0	(15,500,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(15,500,000)</u>	<u>0</u>	<u>0</u>	<u>15,500,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(10,192,554)</u>	<u>(370,789)</u>	<u>(103,831)</u>	<u>5,399,873</u>	<u>1,267,191</u>	<u>(4,000,110)</u>
<i>Fund Balances Beginning of Year</i>	<u>36,024,477</u>	<u>7,119,003</u>	<u>484,094</u>	<u>17,871,954</u>	<u>2,945,812</u>	<u>64,445,340</u>
<i>Fund Balances End of Year</i>	<u>\$25,831,923</u>	<u>\$6,748,214</u>	<u>\$380,263</u>	<u>\$23,271,827</u>	<u>\$4,213,003</u>	<u>\$60,445,230</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, 2024*

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**Net Change in Fund Balances - Total Governmental Funds** (\$4,000,110)

*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/amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital Asset Additions	15,231,809	
Current Year Depreciation/Amortization	(5,091,797)	
Total		10,140,012

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. (265,724)

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

Delinquent Property Taxes	(92,966)	
Intergovernmental	356,480	
Special Assessments	(359,904)	
Settlements	(22,622)	
Municipal Income Taxes	358,572	
Total		239,560

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 563,099

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	1,333	
Amortization of Premium	31,352	
Total		32,685

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. (793,431)

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

Pension	3,870,541	
OPEB	56,571	
Total		3,927,112

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	(6,222,005)	
OPEB	11,201	
Total		(6,210,804)

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. (18,010)

*Change in Net Position of Governmental Activities* \$3,614,389

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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$98,581	\$98,581	\$168,862	\$70,281
Municipal Income Taxes	34,789,310	45,019,554	42,964,648	(2,054,906)
Charges for Services	2,613,000	2,613,000	3,162,799	549,799
Fines, Licenses and Permits	1,351,970	1,400,970	1,138,768	(262,202)
Intergovernmental	280,000	280,000	366,843	86,843
Admission Taxes	320,000	320,000	418,000	98,000
Lodging Taxes	710,000	710,000	800,594	90,594
Franchise Taxes	120,000	120,000	111,289	(8,711)
Interest	1,223,000	1,223,000	1,653,063	430,063
Other	311,000	312,500	246,938	(65,562)
<i>Total Revenues</i>	<u>41,816,861</u>	<u>52,097,605</u>	<u>51,031,804</u>	<u>(1,065,801)</u>
<b>Expenditures</b>				
Current:				
General Government	12,232,474	14,846,374	11,883,231	2,963,143
Public Safety:				
Police	14,246,154	14,246,154	12,119,316	2,126,838
Fire	11,316,554	11,716,554	10,481,371	1,235,183
Public Services	13,644,758	13,644,758	11,616,136	2,028,622
Culture and Recreation	3,714,511	3,857,511	3,378,923	478,588
Building and Community Development	2,051,973	2,051,973	1,459,002	592,971
<i>Total Expenditures</i>	<u>57,206,424</u>	<u>60,363,324</u>	<u>50,937,979</u>	<u>9,425,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,389,563)	(8,265,719)	93,825	(10,491,146)
<b>Other Financing Uses</b>				
Transfers Out	(10,000,000)	(16,000,000)	(16,000,000)	0
<i>Net Change in Fund Balance</i>	(25,389,563)	(24,265,719)	(15,906,175)	(10,491,146)
<i>Fund Balance Beginning of Year</i>	27,458,009	27,458,009	27,458,009	0
Prior Year Encumbrances Appropriated	3,845,189	3,845,189	3,845,189	0
<i>Fund Balance End of Year</i>	<u>\$5,913,635</u>	<u>\$7,037,479</u>	<u>\$15,397,023</u>	<u>(\$10,491,146)</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, 2024*

	<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	\$4,400,000	\$4,330,000	\$3,261,417	(\$1,068,583)
<b>Expenditures</b>				
Current:				
General Government	4,350,000	4,350,000	3,632,206	717,794
<i>Net Change in Fund Balance</i>	50,000	(20,000)	(370,789)	(350,789)
<i>Fund Balance Beginning of Year</i>	7,119,003	7,119,003	7,119,003	0
<i>Fund Balance End of Year</i>	<u>\$7,169,003</u>	<u>\$7,099,003</u>	<u>\$6,748,214</u>	<u>(\$350,789)</u>

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Fund Net Position*  
*Proprietary Fund*  
*December 31, 2024*

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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>37,944</u>
<b>Net Position</b>	
Unrestricted	<u><u>\$1,462,056</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, 2024*

	<u>Internal Service</u>
<b>Operating Revenues</b>	
Charges for Services	\$40,020
<b>Operating Expenses</b>	
Claims	58,030
<i>Change in Net Position</i>	(18,010)
<i>Net Position Beginning of Year</i>	1,480,066
<i>Net Position End of Year</i>	\$1,462,056

See accompanying notes to the basic financial statements

**City of Beachwood, Ohio**  
*Statement of Cash Flows*  
*Proprietary Fund*  
*For the Year Ended December 31, 2024*

	Internal Service
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Interfund Services Provided	\$40,020
Cash Payments for Claims	(40,020)
<i>Net 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	(\$18,010)
Adjustments:	
Increase in Claims Payable	18,010
<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, 2024*

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<b>Assets</b>	
Cash and Cash Equivalents in Segregated Accounts	\$2,375
Special Assessments Receivable	<u>1,324,217</u>
<i>Total Assets</i>	1,326,592
<b>Liabilities</b>	
Intergovernmental Payable	<u>1,326,592</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, 2024*

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<b>Additions</b>	
Fines and Forfeitures for Other Governments	\$151,997
Special Assessment Collections for Distribution	<u>12,250</u>
<i>Total Additions</i>	164,247
 <b>Deductions</b>	
Distributions to Other Governments	<u>164,247</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, 2024*

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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.

The City participates in the Public Entities Pool of Ohio a public entity risk pool. This organization is presented in Note 16 to the basic financial statements.

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

**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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**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:

**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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**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.

**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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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For proprietary funds, the statement of 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.

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, 2024, but which were levied to finance 2025 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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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collected within the available period. For the City, unavailable revenue includes delinquent property taxes, special assessments, municipal income taxes, settlements 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 2024, investments were limited to 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, US Treasury notes 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."

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.

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

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 2024 amounted to \$2,525,672, which includes \$1,477,745 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2024, 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 includes unclaimed monies legally required to be maintained until the end of a five-year holding period 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 received 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.

***J. Compensated Absences***

For the City, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The City does not offer noncash settlements. The City uses a first-in first-out flow assumption for compensated absences.

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the City, this leave includes sick, vacation and comp time. However, the City also has certain compensated absences that are dependent upon the occurrence of sporadic events that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the City this type of leave includes bereavement leave, military leave, personal leave, on-the-job injury leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary related payments.

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or will settle the benefits at separation. The City records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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Liabilities for compensated absences are recognized in financial statements using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

***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 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. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

***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.

***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 2025’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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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 (except for subscription assets which are discussed below) 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
Machinery and Equipment	7 - 10 years
Vehicles	3 - 25 years
Infrastructure	8 - 50 years
Traffic Signals	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.

The City is reporting intangible right to use assets related to subscription assets. Subscription assets represent intangible right to use assets related to the use of another party’s IT software. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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 and subscription payable 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 investments 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. Of the restricted net position, none has resulted from enabling legislation. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits. 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.

***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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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. 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.

***T. SBITAs***

The City is reporting Subscription-Based Information Technology Arrangements (SBITAs) for various noncancellable IT software contracts. At the commencement of the subscription term, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at the commencement of the subscription term, plus certain initial implementation costs. Subsequently, the subscription asset is amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT asset. Subscription assets are reported with other capital assets and subscription payables are reported with long-term debt on the statement of net position.

***U. Assets Held for Resale***

Assets held for resale represent a building purchased by the City which will be sold for development purposes.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 3 - Receivables**

Receivables at December 31, 2024, consisted 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, payment in lieu of 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 \$3,556,148 in the Bond Retirement Fund and \$1,029,671 in the Energy Special Improvement District Custodial Fund. At December 31, 2024 the amount of delinquent special assessments was \$194,965.

**A. Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2024 for real and public utility property taxes represents collections of 2023 taxes.

2024 real property taxes are levied after October 1, 2024 on the assessed value as of January 1, 2024, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2024 real property taxes are collected in and intended to finance 2025.

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. 2024 public utility property taxes which became a lien December 31, 2023, are levied after October 1, 2024, and collected in 2025 real property taxes.

Historically, the full tax rate for all City operations was \$4.00 per \$1,000 of assessed value. In 2023, Council passed an ordinance reducing the amount of millage levied for 2024 to \$1.60 per \$1,000 of assessed value. The purpose of this reduction was to temper the tax burden on the Beachwood community due to the successful passage of a school levy. The intention of Council is to reduce the millage for three years and then revert back to the \$4.00 per \$1,000 assessed value in tax year 2026 (collection year 2027). During 2024, Council passed the ordinance reducing the millage levied for 2025. The full tax rate for all City operations for the year ended December 31, 2024, was \$1.60 per 1,000 of assessed value. The assessed values of real and public utility property upon which 2024 property tax receipts were based are as follows:

Real Property	\$1,130,000,260
Public Utility Property	18,551,950
Total Valuation	<u>\$1,148,552,210</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, 2024 and for which there is an enforceable legal claim. In the general, debt and police pension funds, the portion of the receivable not levied to finance 2024 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, 2024*

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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 2024, the City collected \$6,603,110 in income tax revenue from the MUD and distributed \$3,301,555 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 2024, the City collected \$4,480,620 in income tax revenue from the MUD and distributed \$1,120,155 to the City of Cleveland and \$1,120,155 to the City of Warrensville Heights.

***C. Intergovernmental Receivable***

A summary of intergovernmental receivables follows:

Gasoline Tax	\$418,204
Regional Sewer District Project	338,534
Other	150,038
Homestead and Rollback	<u>57,396</u>
Total	<u><u>\$964,172</u></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 continue 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**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

***E. Loans Receivable***

The City is reporting loans receivable of \$20,000 in the general fund and \$302,105 in the capital improvements fund at December 31, 2024. The general fund loan of \$20,000 is to Innovative Medical under the City’s revolving loan program. Innovative Medical has until 2027 to repay the loan. The capital improvements loan receivable consists of one loan the City provided as a financing option for the sale of a building to Israel Realty. Loans expected to be collected in more than one year amount to \$233,684.

Loan to:	Maturity Year	Loan Receivable at 12/31/2024
Israel Realty	2028	\$302,105
Innovative Medical	2027	20,000
Total		\$322,105

***F. OneOhio Opioid Monies***

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the City reported \$91,633 as an accounts receivable related to opioid settlement monies in the OneOhio Opioid Special Revenue Fund in the accompanying financial statements. Collections of these settlement monies are expected to extend through 2038 with \$85,349 not expected to be collected within one year of the date of the financial statements.

**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).
5. Budgetary revenues and expenditures of the revolving loan fund are classified to general fund for GAAP reporting.

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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

Net Change in Fund Balance

	General	Eaton TIF
GAAP Basis	(\$10,192,554)	(\$370,789)
Net Adjustments for Revenue Accruals	(810,561)	0
Beginning Fair Value Adjustment for Investments	(1,382,721)	0
Ending Fair Value Adjustment for Investments	510,112	0
Net Adjustments for Expenditure Accruals	365,117	0
Perspective Difference Revolving Loan Fund	(500,000)	0
Encumbrances	(3,895,568)	0
Budget Basis	(\$15,906,175)	(\$370,789)

**Note 5 – Interfund Transfers**

A transfer of \$15,500,000 was made during calendar year 2024 from the general fund to the capital improvements fund. The transfer 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 98.4 hour pay period receive sick leave at a rate of 5.7 hours per pay period. Annually, any non-union employee who has in excess of 1,500 sick leave hours or 1,800 for union employees, will receive a lump sum cash payment of 33 1/3 percent of the hours in excess of said 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 55 percent of their unused sick leave balance, 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 240 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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 2024. 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 2024, 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.

***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 2024, the City paid RITA approximately \$855,000 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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;
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 (for a period not to exceed 180 days) and commercial paper notes (for a period not to exceed 270 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, 2024*

**Investments**

As of December 31, 2024, 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	\$379,254	Less than 6 months	AAAm*	N/A
Fair Value - Level Two Inputs:				
Municipal Bonds				
City of Cloverleaf, Ohio	90,066	Less than 6 months	A1	
City of Columbus, Ohio	498,420	Less than 1 year	Aaa	
City of Hamilton, Ohio	100,000	Less than 6 months	A1	
John Carroll University	221,793	Less than 1 year	Aa3	
City of Marion, Ohio	653,360	Less than 1 year	AA*	
City of Springboro, Ohio	211,725	Less than 5 years	Aa2	
Total Municipal Bonds	1,775,364			N/A
U.S. Treasury Notes	6,790,790	Less than five years	N/A	15.76%
Negotiable Certificate of Deposits	2,603,980	Less than five years	NR	6.04%
Federal Farm Credit Bonds	2,941,830	Less than five years	Aaa	6.83%
Federal National Mortgage				
Association Bonds	1,888,439	Less than five years	Aaa	N/A
Federal Home Loan Mortgage Bonds	9,486,553	Less than five years	Aaa	22.02%
Federal Home Loan Bank Bonds	17,222,116	Less than five years	Aaa	39.97%
Total Fair Value - Level Two Inputs	42,709,072			
Total Investments	\$43,088,326			

\*Standard & Poor's 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, 2024.

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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**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 statistical rating organization. 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, 2024.

**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 2024, the value of the taxes being abated was \$16,091.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

**Note 11 – Capital Assets**

Capital asset activity for the year ended December 31, 2024, was as follows:

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
<b>Governmental Activities</b>				
<i>Nondepreciable Capital Assets</i>				
Land	\$12,882,641	\$0	\$0	\$12,882,641
Construction in Progress	951,404	7,401,885	(8,353,289)	0
<i>Total Nondepreciable Capital Assets</i>	<u>13,834,045</u>	<u>7,401,885</u>	<u>(8,353,289)</u>	<u>12,882,641</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	9,548,178	3,590,721	(878,329)	12,260,570
Buildings and Improvements	54,758,809	0	(351,190)	54,407,619
Infrastructure				
Streets	70,483,740	5,203,144	(4,141,696)	71,545,188
Sanitary Sewers	2,519,136	3,369,445	0	5,888,581
Storm Sewers	7,346,900	0	0	7,346,900
I-Net Fiber	838,433	0	0	838,433
Traffic Signals	614,055	0	0	614,055
Machinery and Equipment	7,554,124	2,083,623	(2,542,222)	7,095,525
Vehicles	11,191,693	1,936,279	(1,019,011)	12,108,961
<i>Total Tangible Assets</i>	<u>164,855,068</u>	<u>16,183,212</u>	<u>(8,932,448)</u>	<u>172,105,832</u>
<i>Intangible Assets</i>				
<i>Intangible Right to Use</i>				
<i>Subscription Assets</i>				
Intangible Right to Use - Software	105,097	0	0	105,097
<i>Total Depreciable Capital Assets</i>	<u>\$164,960,165</u>	<u>\$16,183,212</u>	<u>(\$8,932,448)</u>	<u>\$172,210,929</u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024
<b><i>Less Accumulated Depreciation/Amortization</i></b>				
<b><i>Depreciation</i></b>				
Land Improvements	(\$7,736,680)	(\$245,299)	\$878,329	(\$7,103,650)
Buildings and Improvements Infrastructure	(19,359,787)	(1,112,434)	329,840	(20,142,381)
Streets	(48,624,901)	(2,124,889)	3,923,289	(46,826,501)
Sanitary Sewers	(1,096,212)	(50,383)	0	(1,146,595)
Storm Sewers	(1,030,471)	(146,938)	0	(1,177,409)
I-Net Fiber	(124,937)	(16,769)	0	(141,706)
Traffic Signals	(102,194)	(9,453)	0	(111,647)
Machinery and Equipment	(5,514,617)	(384,216)	2,530,240	(3,368,593)
Vehicles	(7,474,828)	(964,138)	1,005,026	(7,433,940)
<b><i>Total Depreciation</i></b>	(91,064,627)	(5,054,519)	8,666,724	(87,452,422)
<b><i>Amortization</i></b>				
<b><i>Intangible Assets</i></b>				
<b><i>Subscription Assets</i></b>				
Intangible Right to Use - Software	(20,705)	(37,277)	0	(57,982)
<b><i>Total Accumulated Depreciation/Amortization</i></b>	(91,085,332)	(5,091,796)	8,666,724	(87,510,404)
<b><i>Total Depreciable Capital Assets, Net</i></b>	73,874,833	11,091,416	(265,724)	84,700,525
<b><i>Governmental Activities Capital Assets, Net</i></b>	\$87,708,878	\$18,493,301	(\$8,619,013)	\$97,583,166

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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\*Depreciation/Amortization expense was charged to governmental activities as follows:

	Depreciation	Amortization	Total
General Government	\$562,378	\$32,212	\$594,590
Public Safety:			
Police	186,379	5,065	191,444
Fire	771,854	0	771,854
Public Services	3,135,613	0	3,135,613
Culture and Recreation	378,417	0	378,417
Building and Community Development	19,878	0	19,878
Total	\$5,054,519	\$37,277	\$5,091,796

**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**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

Fund Balances	General	Eaton TIF	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Activities
<b>Nonspendable:</b>						
Prepays	\$515,636	\$0	\$0	\$0	\$0	\$515,636
Inventory	1,176,465	0	0	0	0	1,176,465
Unclaimed Funds	11,739	0	0	0	0	11,739
<i>Total Nonspendable</i>	<u>1,703,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,703,840</u>
<b>Restricted for:</b>						
Street Maintenance	0	0	0	0	3,197,979	3,197,979
Mayor's Court						
Computers	0	0	0	0	54,886	54,886
Drug and Alcohol						
Enforcement	0	0	0	0	537,884	537,884
TIF Agreements	0	6,748,214	0	0	0	6,748,214
Police Pension	0	0	0	0	348,898	348,898
Street Lighting	0	0	0	0	69,306	69,306
Bond Retirement	0	0	380,263	0	0	380,263
<i>Total Restricted</i>	<u>0</u>	<u>6,748,214</u>	<u>380,263</u>	<u>0</u>	<u>4,208,953</u>	<u>11,337,430</u>
<b>Committed to:</b>						
Capital Improvement	0	0	0	2,130,521	0	2,130,521
Dog Park	0	0	0	0	4,050	4,050
Revolving Loan Fund	500,000	0	0	0	0	500,000
General Government	55,420	0	0	0	0	55,420
Police	183,443	0	0	0	0	183,443
Fire	383,039	0	0	0	0	383,039
Service	257,905	0	0	0	0	257,905
Recreation	45,909	0	0	0	0	45,909
Building	52,066	0	0	0	0	52,066
<i>Total Committed</i>	<u>1,477,782</u>	<u>0</u>	<u>0</u>	<u>2,130,521</u>	<u>4,050</u>	<u>3,612,353</u>
<b>Assigned to:</b>						
Capital Improvement	0	0	0	21,141,306	0	21,141,306
Purchases on Order for:						
Professional Services	214,473	0	0	0	0	214,473
Utilities	109,615	0	0	0	0	109,615
Pension	505,213	0	0	0	0	505,213
Computer Equipment	170,773	0	0	0	0	170,773
Vehicle Maintenance	56,587	0	0	0	0	56,587
Other	811,647	0	0	0	0	811,647
2025 Appropriations Exceed						
Estimated Revenue	10,004,308	0	0	0	0	10,004,308
<i>Total Assigned</i>	<u>11,872,616</u>	<u>0</u>	<u>0</u>	<u>21,141,306</u>	<u>0</u>	<u>33,013,922</u>
<b>Unassigned</b>	<u>10,777,685</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,777,685</u>
<b>Total Fund Balances</b>	<u><u>\$25,831,923</u></u>	<u><u>\$6,748,214</u></u>	<u><u>\$380,263</u></u>	<u><u>\$23,271,827</u></u>	<u><u>\$4,213,003</u></u>	<u><u>\$60,445,230</u></u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

The net pension liability (asset) 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 pension/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.

***Ohio Public Employees Retirement System (OPERS)***

Plan Description - 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 member-directed plan is a defined contribution plan, and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

contribution pension plan. Effective January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan, as approved by the legislature in House Bill 33. The Traditional Pension Plan includes members of the legacy Combined Plan, a hybrid defined benefit/defined contribution plan which was closed to new members effective January 1, 2022. New members are no longer able to select the Combined Plan and current members are no longer able to make a plan change to the Combined Plan. The Combined Plan was consolidated into the Traditional Pension Plan effective January 1, 2024, as a separate division. No changes were made to the benefit design features of the Combined Plan as part of this consolidation so that members in this plan will experience no changes. The City’s 2024 net pension liability (asset) for OPERS is measured as of December 31, 2023, and reflects the Traditional Plan and the Combined Plan as two separate plans. The City’s 2025 financial statements will reflect the effects of the Combined Plan being consolidated into the Traditional Pension 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 above 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

Traditional plan state and local 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 at retirement.

Combined plan members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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.

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 member's original 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.

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.

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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

	State and Local	
	Traditional	Combined
<b>2024 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
<b>2024 Actual Contribution Rates</b>		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
Total Employer	<u>14.0 %</u>	<u>14.0 %</u>
Employee	<u>10.0 %</u>	<u>10.0 %</u>

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance. than 2 percent greater than the Public Safety rate.

\*\* 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2024, the City’s contractually required contribution was \$1,654,877 for the traditional plan, \$9,905 for the combined plan and \$13,462 for the member-directed plan. Of these amounts, \$269,961 is reported as an intergovernmental payable for the traditional plan, \$1,891 for the combined plan, and \$2,192 for the member-directed plan.

***Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – 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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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 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 above 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.

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:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

	<u>Police</u>	<u>Firefighters</u>
<b>2024 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2024 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$2,205,759 for 2024. Of this amount, \$392,051 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 (asset) for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2023, and was determined by rolling forward the total pension liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net pension liability (asset) 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:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.0706400%	0.0168840%	0.3888359%	
Prior Measurement Date	<u>0.0693040%</u>	<u>0.0122200%</u>	<u>0.3685368%</u>	
Change in Proportionate Share	<u>0.0013360%</u>	<u>0.0046640%</u>	<u>0.0202991%</u>	
Proportionate Share of the:				
Net Pension Liability	\$18,493,842	\$0	\$37,566,913	\$56,060,755
Net Pension Asset	0	51,898	0	51,898
Pension Expense	2,260,472	(48)	3,961,581	6,222,005

2024 pension expense for the member-directed defined contribution plan was \$9,616. The aggregate pension expense for all pension plans was \$6,231,621 for 2024.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$302,266	\$2,103	\$1,206,008	\$1,510,377
Changes of assumptions	0	1,927	2,374,188	2,376,115
Net difference between projected and actual earnings on pension plan investments	3,732,846	8,441	4,257,121	7,998,408
Changes in proportion and differences between City contributions and proportionate share of contributions	171,100	6,201	1,627,975	1,805,276
City contributions subsequent to the measurement date	1,654,877	9,905	2,205,759	3,870,541
<b>Total Deferred Outflows of Resources</b>	<b>\$5,861,089</b>	<b>\$28,577</b>	<b>\$11,671,051</b>	<b>\$17,560,717</b>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$0	\$5,133	\$420,143	\$425,276
Changes of assumptions	0	0	570,498	570,498
Changes in proportion and differences between City contributions and proportionate share of contributions	0	39,651	975,046	1,014,697
<b>Total Deferred Inflows of Resources</b>	<b>\$0</b>	<b>\$44,784</b>	<b>\$1,965,687</b>	<b>\$2,010,471</b>

\$3,870,541 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 liability or increase to the net pension asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2025	\$1,056,502	(\$2,519)	\$1,851,320	\$2,905,303
2026	1,299,161	(1,485)	2,097,160	3,394,836
2027	2,382,092	(112)	3,138,575	5,520,555
2028	(531,543)	(7,059)	(23,403)	(562,005)
2029	0	(5,909)	423,259	417,350
Thereafter	0	(9,028)	12,694	3,666
<b>Total</b>	<b>\$4,206,212</b>	<b>(\$26,112)</b>	<b>\$7,499,605</b>	<b>\$11,679,705</b>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**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.

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, 2023, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67:

	<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 (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

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. 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.

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

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of 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 a gain of 11.2 percent for 2023.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

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 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 real rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2023, 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%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00%</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 6.9 percent for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and 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 benefit 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	\$29,114,276	\$18,493,842	\$9,660,726
OPERS Combined Plan	(31,404)	(51,898)	(68,043)

**Actuarial Assumptions – OP&F**

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 retirement 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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful life of the participants which was 6.03 years at December 31, 2023.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2023, are presented below.

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

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP-2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Best estimates of the long-term expected real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2023, are summarized below:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.10 %
Non-US Equity	12.40	4.90
Private Markets	10.00	7.30
Core Fixed Income *	25.00	2.40
High Yield Fixed Income	7.00	4.10
Private Credit	5.00	6.80
U.S. Inflation Linked Bonds*	15.00	2.10
Midstream Energy Infrastructure	5.00	5.80
Real Assets	8.00	6.00
Gold	5.00	3.50
Private Real Estate	12.00	5.40
Commodities	2.00	3.50
<b>Total</b>	<b>125.00 %</b>	

Note: Assumptions are geometric.

\* levered 2.0x

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 the 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 2023, 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 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 7.50 percent. Based on those assumptions, OP&F's fiduciary net position was projected to be available to make all future benefit payment 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. 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	\$49,760,176	\$37,566,913	\$27,427,031

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 14 – Defined Benefit OPEB Plans**

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

***Ohio Public Employees Retirement System (OPERS)***

Plan Description – 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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined, and Member-Directed plans. 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. Retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Age 65 or older Retirees** Minimum of 20 years of qualifying service credit

**Age 60 to 64 Retirees** Based on the following age-and-service criteria:

**Group A** 30 years of total service with at least 20 years of qualified health care service credit;

**Group B** 31 years of total service credit with at least 20 years of qualified health care service credit; or

**Group C** 32 years of total service credit with at least 20 years of qualified health care service credit.

**Age 59 or younger** Based on the following age-and-service criteria:

**Group A** 30 years of qualified health care service credit;

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

**Group B** 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

**Group C** 32 years of qualified health care service credit and at least age 55.

Retirees who do not meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>	<b>Age and Service Requirements</b> <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through</b> <b>December 31, 2021</b>	<b>January 1, 2015 through</b> <b>December 31, 2021</b>	<b>January 1, 2015 through</b> <b>December 31, 2021</b>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated 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 for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Participants in the Member-Directed Plan have access to the Connector and have a separate health care funding mechanism. A portion of employer contributions for these participants is allocated to a retiree medical

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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account (RMA). Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10 percent each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20 percent per year. Upon separation or retirement, participants may use vested RMA funds for reimbursement of qualified medical expenses.

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. 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 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$4,795 for 2024. Of this amount, \$270 is reported as an intergovernmental payable.

***Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – 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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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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 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 2024, 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 \$51,776 for 2024. Of this amount, \$9,219 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 asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, 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, 2023, and was determined by rolling forward the total OPEB liability as of January 1, 2023, to December 31, 2023. The City's proportion of the net OPEB liability 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:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

	<u>OPERS</u>	<u>OP&amp;F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.0668050%	0.3888359%	
Prior Measurement Date	<u>0.0651230%</u>	<u>0.3685368%</u>	
Change in Proportionate Share	<u>0.0016820%</u>	<u>0.0202991%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$0	\$2,839,011	\$2,839,011
Net OPEB Asset	602,933	0	602,933
OPEB Expense	(83,425)	72,224	(11,201)

At December 31, 2024, 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	\$136,520	\$136,520
Changes of assumptions	155,224	976,931	1,132,155
Net difference between projected and actual earnings on OPEB plan investments	362,094	209,643	571,737
Changes in proportion and differences between City contributions and proportionate share of contributions	217	236,797	237,014
City contributions subsequent to the measurement date	<u>4,795</u>	<u>51,776</u>	<u>56,571</u>
Total Deferred Outflows of Resources	<u>\$522,330</u>	<u>\$1,611,667</u>	<u>\$2,133,997</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$85,814	\$521,728	\$607,542
Changes of assumptions	259,183	1,828,256	2,087,439
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>10,542</u>	<u>216,164</u>	<u>226,706</u>
Total Deferred Inflows of Resources	<u>\$355,539</u>	<u>\$2,566,148</u>	<u>\$2,921,687</u>

\$56,571 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 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

Year Ending December 31:	OPERS	OP&F	Total
2025	(\$21,858)	(\$80,160)	(\$102,018)
2026	24,264	(120,236)	(95,972)
2027	281,856	(66,882)	214,974
2028	(122,266)	(234,583)	(356,849)
2029	0	(240,864)	(240,864)
Thereafter	0	(263,532)	(263,532)
Total	<u>\$161,996</u>	<u>(\$1,006,257)</u>	<u>(\$844,261)</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.

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 the System and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

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. 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.

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

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board 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 benefits provided through the defined benefit 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 real 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 real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

**Discount Rate** A single discount rate of 5.70 percent was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 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 the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents the City’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 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 (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current Discount Rate (5.70%)	1% Increase (6.70%)
City's proportionate share of the net OPEB liability (asset)	\$331,353	(\$602,933)	(\$1,376,851)

***Sensitivity of the City’s Proportionate Share of the Net OPEB Liability 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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 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 care 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)	(\$627,967)	(\$602,933)	(\$574,523)

***Actuarial Assumptions – OP&F***

OP&F’s total OPEB liability as of December 31, 2023, is based on the results of an actuarial valuation date of January 1, 2023, 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 retirement 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.

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.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.50 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement rate	4.07 percent
Prior measurement rate	4.27 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2038

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The 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 2023, the total OPEB liability was calculated using the discount rate of 4.07 percent. The projection of cash flows used to determine the discount rate assumed the contributions 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 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, the long-term assumed rate of return on investments of 7.5 percent was applied to periods before December 31, 2037, and the Municipal Bond Index Rate of 3.38 percent was applied to periods on and after December 31, 2037, resulting in a discount rate of 4.07 percent.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

***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. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.07 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.07 percent), or one percentage point higher (5.07 percent), than the current rate:

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
City's proportionate share of the net OPEB liability	\$3,496,873	\$2,839,011	\$2,284,961

**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 2024, the City contracted with the Public Entities Pool of Ohio (PEP) for various types of insurance as follows:

Type	Coverage
General Liability	\$15,000,000
Automobile	15,000,000
Medical Expenses	5,000
Law Enforcement Liability	15,000,000
Public Officials	15,000,000
Cyber Liability	1,000,000

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 \$37,944 reported in the fund as December 31, 2024, 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 2023 and 2024 were:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

	Beginning of Year	Claims	Payments	End of Year
2023	\$22,005	\$17,883	\$19,954	\$19,934
2024	19,934	58,030	40,020	37,944

**Note 16 – Public Entity Risk Pool**

***A. Property and Liability***

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Pooling Services, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

***B. Casualty and Property Coverage***

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. (At December 31, 2023, the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and York periodically review the financial strength of the PEP and other market conditions to determine the appropriate level of risk the PEP will retain. There has been no significant reduction in coverage from last year.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective PEP member.

***Financial Position*** - PEP's financial statements conform to generally accepted accounting principles, and show the following assets, liabilities and net position at December 31, 2023 and 2022 (the latest information available):

Casualty and Property Coverage	2023	2022
Assets	\$67,306,752	\$61,537,313
Liabilities	23,172,377	18,643,081
Net Position - Unrestricted	<u>\$44,134,375</u>	<u>\$42,894,232</u>

At December 31, 2023 and 2022, the liabilities in the preceding table include unknown amounts of estimated incurred claims payable. The casualty coverage assets and net position above include approximately \$17.7 million and \$14.4 million of unpaid claims to be billed to approximately 630 member governments in the future, as of December 31, 2023 and 2022, respectively. These amounts will be included in future contributions from members when the related claims are due for payment.

As indicated by PEP, the rates PEP charges to compute member contributions, which are used to pay claims as they become due, are expected to increase from those used to determine the historical contributions detailed as follows. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

After completing one year of membership, members may withdraw on each anniversary date of the date they joined PEP, provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members may receive a partial refund of their capital contributions as defined by the contract. Withdrawing members have no other future obligations to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to withdrawal. The City's contribution for 2024 was \$307,942.

**Note 17 - Long-Term Obligations**

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

	Outstanding 1/1/2024	Additions	(Reductions)	Outstanding 12/31/2024	Amounts Due In One Year
<b>Special Assessment Bonds with Governmental Commitment</b>					
\$5,315,000 2015 3.000% - 4.000%					
Eaton Boulevard Improvements	\$3,590,000	\$0	(\$255,000)	\$3,335,000	\$260,000
Premium on Eaton Boulevard Bonds	187,980	0	(16,229)	171,751	0
<b>Total Eaton Boulevard Bonds</b>	<b>3,777,980</b>	<b>0</b>	<b>(271,229)</b>	<b>3,506,751</b>	<b>260,000</b>
<b>General Obligation Bonds</b>					
\$9,000,000 2017 2.000% - 4.000%					
Fire Station #2 Bonds	7,420,000	0	(290,000)	7,130,000	300,000
Premium on Fire Station #2 Bonds	284,812	0	(15,123)	269,689	0
<b>Total Fire Station #2 Bonds</b>	<b>7,704,812</b>	<b>0</b>	<b>(305,123)</b>	<b>7,399,689</b>	<b>300,000</b>
Net Pension Liability					
OPERS	20,472,433	0	(1,978,591)	18,493,842	0
OP&F	35,007,423	2,559,490	0	37,566,913	0
<b>Total Net Pension Liability</b>	<b>55,479,856</b>	<b>2,559,490</b>	<b>(1,978,591)</b>	<b>56,060,755</b>	<b>0</b>
Net OPEB Liability					
OPERS	410,613	0	(410,613)	0	0
OP&F	2,623,877	215,134	0	2,839,011	0
<b>Total Net OPEB Liability</b>	<b>3,034,490</b>	<b>215,134</b>	<b>(410,613)</b>	<b>2,839,011</b>	<b>0</b>
Subscriptions Payable	18,099	0	(18,099)	0	0
Compensated Absences	7,268,582	793,431	0	8,062,013	3,004,656
<b>Total General Long-term Obligations</b>	<b>\$77,283,819</b>	<b>\$3,568,055</b>	<b>(\$2,983,655)</b>	<b>\$77,868,219</b>	<b>\$3,564,656</b>

Increases and decreases to compensated absences are presented net on the above table.

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. There is no repayment schedule for the net pension and net OPEB liabilities. However, employer pension contributions are made from the general fund.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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For additional information related to the net pension liability see Note 13 and related to the net OPEB liability see Note 14. The subscriptions payable was paid from the general fund.

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:

<u>Year</u>	<u>Amount</u>
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:

<u>Year</u>	<u>Amount</u>
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 subscription payable that was paid off during the year was for contract management software. The subscription was paid from the general fund.

The City's legal debt margin was \$113,848,245 at December 31, 2024. Principal and interest requirements to retire outstanding general obligation and special assessment bonds at December 31, 2024, are as follows:

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

Year	General Obligation Bonds			
	Current		Current	
	Serial Bonds		Term Bonds	
	Principal	Interest	Principal	Interest
2025	\$300,000	\$240,962	\$0	\$0
2026	300,000	234,962	0	0
2027	315,000	222,962	0	0
2028	325,000	210,363	0	0
2029	340,000	197,362	0	0
2030-2034	1,865,000	810,363	0	0
2035-2039	1,260,000	346,238	920,000	153,425
2040-2042	0	0	1,505,000	98,962
Total	<u>\$4,705,000</u>	<u>\$2,263,212</u>	<u>\$2,425,000</u>	<u>\$252,387</u>

Year	Special Assessment Bonds			
	Current		Current	
	Serial Bonds		Term Bonds	
	Principal	Interest	Principal	Interest
2025	\$260,000	\$110,060	\$0	\$0
2026	270,000	99,660	0	0
2027	275,000	88,860	0	0
2028	285,000	80,610	0	0
2029	295,000	72,060	0	0
2030-2034	670,000	58,530	930,000	161,420
2035	350,000	12,250	0	0
Total	<u>\$2,405,000</u>	<u>\$522,030</u>	<u>\$930,000</u>	<u>\$161,420</u>

**Note 18 – 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 12/31/2024
General	\$3,895,568
Capital Improvement	3,004,957
Other Governmental Funds	2,569
Total	<u>\$6,903,094</u>

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2024

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**Contractual Commitments**

At December 31, 2024, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2024 concrete program	\$896,996	\$350,678	\$546,318
Electronic sign	174,861	87,430	87,431
2024 road program	1,377,474	1,225,181	152,293
Green-Bryden storm sewers	1,487,848	1,453,871	33,977
Timberlane/Green sewers	5,023,290	4,973,290	50,000
Recreation facilities improvement	1,364,489	1,332,377	32,112
<b>Total</b>	<b>\$10,324,958</b>	<b>\$9,422,827</b>	<b>\$902,131</b>

The amounts remaining on these contracts were encumbered at year end. The amounts of \$506,557 and \$460,102 in contracts and retainage payable for governmental activities, respectively, have been capitalized.

**Note 19 – Change in Accounting Principles**

For 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The City also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021* and GASB Statement No. 101, *Compensated Absences*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The City reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guides 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The implementation of GASB 101 resulted in recognizing an additional compensated absences liabilities of \$3,084,198 in governmental activities at January 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense. This change in accounting principle is separately displayed in the accompanying financial statements.

**City of Beachwood, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 20 – Assets Held for Resale**

As of December 31, 2024, the City has one building valued at \$8,000,000 which is being held for resale.

**Note 21 – 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 2024, the City expended the remaining COVID-19 funds consistent with the applicable program guidelines.

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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 Ten Years*

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.0706400%	0.0693040%	0.0688650%	0.0677520%
City's Proportionate Share of the Net Pension Liability	\$18,493,842	\$20,472,433	\$5,991,533	\$10,032,596
City's Covered Payroll	\$11,627,457	\$10,742,936	\$9,994,364	\$9,542,529
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.05%	190.57%	59.95%	105.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	75.74%	92.62%	86.88%

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.

2020	2019	2018	2017	2016	2015
0.0747170%	0.0769140%	0.0754730%	0.0751760%	0.0753490%	0.0731160%
\$14,768,322	\$21,065,185	\$11,840,252	\$17,071,192	\$13,051,398	\$8,818,607
\$10,514,743	\$10,384,843	\$9,977,746	\$9,718,925	\$9,370,217	\$8,964,117
140.45%	202.85%	118.67%	175.65%	139.29%	98.38%
82.10%	74.70%	84.66%	77.25%	81.08%	86.45%

**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 Seven Years (1)*

	2024	2023	2022
City's Proportion of the Net Pension Asset	0.0168840%	0.0122200%	0.0000000%
City's Proportionate Share of the Net Pension Asset (Liability)	(\$51,898)	\$28,801	\$0
City's Covered Payroll	\$77,525	\$57,743	\$0
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	66.94%	-49.88%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	144.55%	137.14%	169.88%

(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.

2021	2020	2019	2018
0.0000000%	0.0005160%	0.0036990%	0.0043510%
\$0	\$1,077	\$4,137	\$5,925
\$0	\$2,293	\$15,821	\$17,823
0.00%	-46.97%	-26.15%	-33.24%
157.67%	145.28%	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 Eight Years (1)*

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability/Asset	0.0668050%	0.0651230%	0.0642280%	0.0631970%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$602,933)	\$410,613	(\$2,011,719)	(\$1,125,906)
City's Covered Payroll	\$11,793,698	\$10,838,879	\$10,015,739	\$9,557,604
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.70%	128.23%	115.57%

(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.

2020	2019	2018	2017
0.0697890%	0.0719970%	0.0707400%	0.0714800%
\$9,639,673	\$9,386,708	\$7,681,843	\$7,219,723
\$10,546,611	\$10,439,039	\$10,023,869	\$9,879,383
91.40%	89.92%	76.64%	73.08%
47.80%	46.33%	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 Ten Years*

	2024	2023	2022	2021
City's Proportion of the Net Pension Liability	0.3888359%	0.3685368%	0.3841626%	0.3737712%
City's Proportionate Share of the Net Pension Liability	\$37,566,913	\$35,007,423	\$24,000,257	\$25,480,318
City's Covered Payroll	\$11,447,012	\$9,954,096	\$9,739,949	\$9,094,166
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	328.18%	351.69%	246.41%	280.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.63%	62.90%	75.03%	70.65%

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.

2020	2019	2018	2017	2016	2015
0.3878142%	0.3844880%	0.3865530%	0.3933340%	0.3918830%	0.3699959%
\$26,125,236	\$31,384,382	\$23,724,502	\$24,913,381	\$25,210,108	\$19,167,330
\$9,128,284	\$8,624,751	\$8,350,537	\$8,411,080	\$7,905,342	\$7,288,792
286.20%	363.89%	284.11%	296.20%	318.90%	262.97%
69.89%	63.07%	70.91%	68.36%	66.77%	71.71%

**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 Eight Years (1)*

	2024	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.3888359%	0.3685368%	0.3841626%	0.3737712%
City's Proportionate Share of the Net OPEB Liability	\$2,839,011	\$2,623,877	\$4,210,752	\$3,960,168
City's Covered Payroll	\$11,447,012	\$9,954,096	\$9,739,949	\$9,094,166
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	24.80%	26.36%	43.23%	43.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	51.89%	52.59%	46.90%	45.40%

(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.

2020	2019	2018	2017
0.3878142%	0.3844880%	0.3865530%	0.3933340%
\$3,830,724	\$3,501,354	\$21,901,552	\$18,670,680
\$9,128,284	\$8,624,751	\$8,350,537	\$8,411,080
41.97%	40.60%	262.28%	221.98%
47.08%	46.57%	14.13%	15.96%

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

	2024	2023	2022	2021
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$1,654,877	\$1,627,844	\$1,504,011	\$1,399,211
Contributions in Relation to the Contractually Required Contribution	<u>(1,654,877)</u>	<u>(1,627,844)</u>	<u>(1,504,011)</u>	<u>(1,399,211)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$11,820,550	\$11,627,457	\$10,742,936	\$9,994,364
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	\$9,905	\$9,303	\$8,084	\$0
Contributions in Relation to the Contractually Required Contribution	<u>(9,905)</u>	<u>(9,303)</u>	<u>(8,084)</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$82,542	\$77,525	\$57,743	\$0
Contributions as a Percentage of Covered Payroll	<u>12.00%</u>	<u>12.00%</u>	<u>14.00%</u>	<u>N/A</u>
<b>Net OPEB Liability - OPEB Plan (1)</b>				
Contractually Required Contribution	\$4,795	\$4,452	\$1,528	\$855
Contributions in Relation to the Contractually Required Contribution	<u>(4,795)</u>	<u>(4,452)</u>	<u>(1,528)</u>	<u>(855)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$11,999,239	\$11,793,698	\$10,838,879	\$10,015,739
Contributions as a Percentage of Covered Payroll	<u>0.04%</u>	<u>0.04%</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.

2020	2019	2018	2017	2016	2015
\$1,335,954	\$1,472,064	\$1,453,878	\$1,297,107	\$1,166,271	\$1,124,426
(1,335,954)	(1,472,064)	(1,453,878)	(1,297,107)	(1,166,271)	(1,124,426)
\$0	\$0	\$0	\$0	\$0	\$0
\$9,542,529	\$10,514,743	\$10,384,843	\$9,977,746	\$9,718,925	\$9,370,217
14.00%	14.00%	14.00%	13.00%	12.00%	12.00%
\$0	\$321	\$2,215	\$2,317	\$15,838	\$15,572
0	(321)	(2,215)	(2,317)	(15,838)	(15,572)
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$2,293	\$15,821	\$17,823	\$131,983	\$129,767
N/A	14.00%	14.00%	13.00%	12.00%	12.00%
\$603	\$1,183	\$1,535	\$101,088	\$198,157	
(603)	(1,183)	(1,535)	(101,088)	(198,157)	
\$0	\$0	\$0	\$0	\$0	
\$9,557,604	\$10,546,611	\$10,439,039	\$10,023,869	\$9,879,383	
0.01%	0.01%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$2,205,759	\$2,433,259	\$2,124,775	\$2,073,450
Contributions in Relation to the Contractually Required Contribution	<u>(2,205,759)</u>	<u>(2,433,259)</u>	<u>(2,124,775)</u>	<u>(2,073,450)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$10,355,088	\$11,447,012	\$9,954,096	\$9,739,949
Pension Contributions as a Percentage of Covered Payroll:	<u>21.30%</u>	<u>21.26%</u>	<u>21.35%</u>	<u>21.29%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$51,776	\$57,235	\$49,770	\$46,493
Contributions in Relation to the Contractually Required Contribution	<u>(51,776)</u>	<u>(57,235)</u>	<u>(49,770)</u>	<u>(46,493)</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>0.50%</u>	<u>0.50%</u>	<u>0.48%</u>
Total Contributions as a Percentage of Covered Payroll:	<u>21.80%</u>	<u>21.76%</u>	<u>21.85%</u>	<u>21.77%</u>

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

See accompanying notes to the required supplementary information.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$1,937,747	\$1,948,798	\$1,840,182	\$1,782,357	\$1,788,221	\$1,680,214
<u>(1,937,747)</u>	<u>(1,948,798)</u>	<u>(1,840,182)</u>	<u>(1,782,357)</u>	<u>(1,788,221)</u>	<u>(1,680,214)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,094,166	\$9,128,284	\$8,624,751	\$8,350,537	\$8,411,080	\$7,905,342
<u>21.31%</u>	<u>21.35%</u>	<u>21.34%</u>	<u>21.34%</u>	<u>21.26%</u>	<u>21.25%</u>
\$45,471	\$45,642	\$43,124	\$41,753	\$42,055	\$39,527
<u>(45,471)</u>	<u>(45,642)</u>	<u>(43,124)</u>	<u>(41,753)</u>	<u>(42,055)</u>	<u>(39,527)</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>0.50%</u>
<u>21.81%</u>	<u>21.85%</u>	<u>21.84%</u>	<u>21.84%</u>	<u>21.76%</u>	<u>21.75%</u>

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2024

**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 through 2021	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:

2024	2.3 percent, simple through 2024 then 2.05 percent, simple
2023	3.0 percent, simple through 2023 then 2.05 percent, simple
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

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. 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.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2024

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base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to 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**

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:

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018</u>
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

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

**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:

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2024*

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	See Below	See Below
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 2017 and prior the investment rate of return was 8.25 percent. Beginning in 2018, the OP&F Board adopted a change in the investment rate of return, changing it from 8.25 percent for 2017 and prior to 8 percent. Beginning in 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 and forward.

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

Prior to 2023, 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

Prior to 2023, 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.

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2024*

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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

**Changes in Assumptions – OPERS OPEB**

Wage Inflation:	
Beginning in 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
Beginning in 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:	
2024	3.77 percent
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2024	5.70 percent
2023	5.22 percent
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:	
2024	5.50 percent, initial 3.5 percent, ultimate in 2038
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
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

**City of Beachwood, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2024*

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

Blended Discount Rate:	
2024	4.07 percent
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

In 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 beginning in 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.

***American Rescue Plan Act Fund*** – 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.

***Northeast Ohio Public Energy Council (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.

***Revolving Loan Fund*** – This fund accounts for and reports general fund transfers committed to the City’s revolving loan program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

**City of Beachwood, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2024*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust	Police Pension
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$2,690,687	\$396,668	\$54,886	\$479,968	\$348,898
Property Taxes Receivable	0	0	0	0	809,950
Payments in Lieu of Taxes Receivable	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Intergovernmental Receivable	290,161	23,327	0	0	28,698
<i>Total Assets</i>	<u>\$2,980,848</u>	<u>\$419,995</u>	<u>\$54,886</u>	<u>\$479,968</u>	<u>\$1,187,546</u>
<b>Liabilities</b>					
Accounts Payable	\$0	\$0	\$0	\$0	\$0
<b>Deferred Inflows of Resources</b>					
Property Taxes	0	0	0	0	773,894
Payments in Lieu of Taxes	0	0	0	0	0
Unavailable Revenue	187,834	15,030	0	0	64,754
<i>Total Deferred Inflows of Resources</i>	<u>187,834</u>	<u>15,030</u>	<u>0</u>	<u>0</u>	<u>838,648</u>
<b>Fund Balances</b>					
Restricted	2,793,014	404,965	54,886	479,968	348,898
Committed	0	0	0	0	0
<i>Total Fund Balances</i>	<u>2,793,014</u>	<u>404,965</u>	<u>54,886</u>	<u>479,968</u>	<u>348,898</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,980,848</u>	<u>\$419,995</u>	<u>\$54,886</u>	<u>\$479,968</u>	<u>\$1,187,546</u>

Street Lights	Omnova TIF	Barkwood Donations	OneOhio Opioid	Total Nonmajor Governmental Funds
\$71,875	\$0	\$4,050	\$57,916	\$4,104,948
0	0	0	0	809,950
0	189,914	0	0	189,914
0	0	0	91,633	91,633
0	0	0	0	342,186
<u>\$71,875</u>	<u>\$189,914</u>	<u>\$4,050</u>	<u>\$149,549</u>	<u>\$5,538,631</u>
<u>\$2,569</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,569</u>
0	0	0	0	773,894
0	189,914	0	0	189,914
0	0	0	91,633	359,251
0	189,914	0	91,633	1,323,059
69,306	0	0	57,916	4,208,953
0	0	4,050	0	4,050
69,306	0	4,050	57,916	4,213,003
<u>\$71,875</u>	<u>\$189,914</u>	<u>\$4,050</u>	<u>\$149,549</u>	<u>\$5,538,631</u>

**City of Beachwood, Ohio**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2024*

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust	Police Pension
<b>Revenues</b>					
Property Taxes	\$0	\$0	\$0	\$0	\$759,859
Fines, Licenses and Permits	0	0	6,505	0	0
Intergovernmental	734,822	59,585	0	124,367	53,093
Payments in Lieu of Taxes	0	0	0	0	0
Special Assessments	0	0	0	0	0
Settlements	0	0	0	0	0
Investment Earnings/Interest	71,615	11,311	0	7,904	0
Other	0	0	0	0	0
<i>Total Revenues</i>	<u>806,437</u>	<u>70,896</u>	<u>6,505</u>	<u>132,271</u>	<u>812,952</u>
<b>Expenditures</b>					
Current:					
General Government	0	0	0	0	0
Public Safety:					
Police	0	0	3,662	13,749	510,923
Public Services	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>3,662</u>	<u>13,749</u>	<u>510,923</u>
<i>Net Change in Fund Balances</i>	806,437	70,896	2,843	118,522	302,029
<i>Fund Balances Beginning of Year</i>	<u>1,986,577</u>	<u>334,069</u>	<u>52,043</u>	<u>361,446</u>	<u>46,869</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,793,014</u></u>	<u><u>\$404,965</u></u>	<u><u>\$54,886</u></u>	<u><u>\$479,968</u></u>	<u><u>\$348,898</u></u>

Street Lights	Omnova TIF	Barkwood Donations	OneOhio Opioid	American Rescue Plan Act	NOPEC Grant	Total Nonmajor Governmental Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$759,859
0	0	0	0	0	0	6,505
0	0	0	0	425,283	0	1,397,150
0	268,196	0	0	0	0	268,196
13,118	0	0	0	0	0	13,118
0	0	0	39,786	0	0	39,786
0	0	0	0	0	0	90,830
0	0	615	0	0	0	615
13,118	268,196	615	39,786	425,283	0	2,576,059
0	268,196	0	0	0	0	268,196
32,399	0	0	0	425,283	0	986,016
0	0	0	0	0	54,656	54,656
32,399	268,196	0	0	425,283	54,656	1,308,868
(19,281)	0	615	39,786	0	(54,656)	1,267,191
88,587	0	3,435	18,130	0	54,656	2,945,812
\$69,306	\$0	\$4,050	\$57,916	\$0	\$0	\$4,213,003

## 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. These funds do not account for the City's own source revenue. The liabilities represent amounts where no further action is needed to release the assets. The following are descriptions of the City's 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 Fund*** – 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 Fund*** – 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, 2024*

	Energy Special Improvement District	Mayor's Court	Total Custodial Funds
<b>Assets</b>			
Cash and Cash Equivalents in Segregated Accounts	\$0	\$2,375	\$2,375
Special Assessments Receivable	1,324,217	0	1,324,217
<i>Total Assets</i>	1,324,217	2,375	1,326,592
<b>Liabilities</b>			
Intergovernmental Payable	1,324,217	2,375	1,326,592
<b>Net Position</b>			
Restricted for Individuals, Organizations and Other Governments	\$0	\$0	\$0

**City of Beachwood, Ohio**  
*Combining Statement of Changes in Fiduciary Net Position*  
*Custodial Funds*  
*For the Year Ended December 31, 2024*

	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	\$151,997	\$151,997
Special Assessment Collections for Distribution	12,210	40	0	12,250
<i>Total Additions</i>	12,210	40	151,997	164,247
<b>Deductions</b>				
Distributions to Other Governments	12,210	40	151,997	164,247
<i>Change in Fiduciary 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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$98,581	\$98,581	\$168,862	\$70,281
Municipal Income Taxes	34,789,310	45,019,554	42,964,648	(2,054,906)
Charges for Services	2,613,000	2,613,000	3,162,799	549,799
Fines, Licenses and Permits	1,351,970	1,400,970	1,138,768	(262,202)
Intergovernmental	280,000	280,000	366,843	86,843
Admission Taxes	320,000	320,000	418,000	98,000
Lodging Taxes	710,000	710,000	800,594	90,594
Franchise Taxes	120,000	120,000	111,289	(8,711)
Interest	1,223,000	1,223,000	1,653,063	430,063
Other	311,000	312,500	246,938	(65,562)
<i>Total Revenues</i>	<u>41,816,861</u>	<u>52,097,605</u>	<u>51,031,804</u>	<u>(1,065,801)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Council:				
Personal Services	264,610	267,610	263,103	4,507
Contractual Services	28,750	28,750	23,600	5,150
Materials and Supplies	3,702	3,702	854	2,848
Capital Outlay	26,400	26,400	16,687	9,713
Other	38,119	38,119	30,414	7,705
Total Council	<u>361,581</u>	<u>364,581</u>	<u>334,658</u>	<u>29,923</u>
Mayor:				
Personal Services	516,600	566,600	562,041	4,559
Contractual Services	100,816	104,816	93,641	11,175
Materials and Supplies	23,680	19,680	8,062	11,618
Capital Outlay	8,000	8,000	1,020	6,980
Other	128,128	128,128	120,659	7,469
Total Mayor	<u>777,224</u>	<u>827,224</u>	<u>785,423</u>	<u>41,801</u>
Economic Development:				
Personal Services	179,161	179,161	171,540	7,621
Contractual Services	114,600	98,600	65,905	32,695
Materials and Supplies	3,660	9,660	8,746	914
Capital Outlay	24,000	24,000	18,013	5,987
Other	607,744	617,744	88,044	529,700
Total Economic Development	<u>\$929,165</u>	<u>\$929,165</u>	<u>\$352,248</u>	<u>\$576,917</u>

(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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Human Resources:				
Personal Services	\$163,460	\$163,460	\$156,103	\$7,357
Contractual Services	55,199	55,199	38,162	17,037
Materials and Supplies	2,303	2,303	1,729	574
Other	13,058	13,058	8,602	4,456
<b>Total Human Resources</b>	234,020	234,020	204,596	29,424
Finance Director:				
Personal Services	1,567,219	1,567,219	1,545,685	21,534
Contractual Services	6,161,114	8,662,014	6,598,071	2,063,943
Materials and Supplies	30,622	30,622	24,122	6,500
Capital Outlay	633,102	633,102	598,807	34,295
Other	476,153	476,153	389,022	87,131
<b>Total Finance Director</b>	8,868,210	11,369,110	9,155,707	2,213,403
Law Department:				
Personal Services	501,020	401,020	376,483	24,537
Contractual Services	484,321	646,321	614,942	31,379
Materials and Supplies	17,432	17,432	12,392	5,040
Capital Outlay	32,000	30,000	27,225	2,775
Other	27,501	27,501	19,557	7,944
<b>Total Law Department</b>	1,062,274	1,122,274	1,050,599	71,675
<b>Total General Government</b>	12,232,474	14,846,374	11,883,231	2,963,143
Public Safety:				
Police Department:				
Personal Services	12,625,017	12,625,017	10,857,923	1,767,094
Contractual Services	809,872	809,872	607,109	202,763
Materials and Supplies	220,948	220,948	153,938	67,010
Capital Outlay	398,403	398,403	368,354	30,049
Other	191,914	191,914	131,992	59,922
<b>Total Police Department</b>	14,246,154	14,246,154	12,119,316	2,126,838
Fire Department:				
Personal Services	10,297,628	10,297,628	9,221,515	1,076,113
Contractual Services	324,541	304,541	226,364	78,177
Materials and Supplies	193,732	179,732	133,352	46,380
Capital Outlay	394,298	838,298	824,431	13,867
Other	106,355	96,355	75,709	20,646
<b>Total Fire Department</b>	11,316,554	11,716,554	10,481,371	1,235,183
<b>Total Public Safety</b>	\$25,562,708	\$25,962,708	\$22,600,687	\$3,362,021

(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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public Services:				
Service Department:				
Personal Services	\$7,200,131	\$7,200,131	\$7,175,976	\$24,155
Contractual Services	2,416,079	2,406,079	1,751,690	654,389
Materials and Supplies	2,326,029	2,326,029	1,957,196	368,833
Capital Outlay	1,624,397	1,624,397	649,382	975,015
Other	78,122	88,122	81,892	6,230
Total Public Services	13,644,758	13,644,758	11,616,136	2,028,622
Culture and Recreation:				
Recreation Administration:				
Personal Services	1,325,764	1,325,764	1,243,615	82,149
Contractual Services	564,188	554,188	441,541	112,647
Materials and Supplies	140,277	140,277	116,234	24,043
Capital Outlay	9,000	19,000	12,644	6,356
Other	92,927	92,927	59,447	33,480
Total Recreation Administration	2,132,156	2,132,156	1,873,481	258,675
Recreation Camps:				
Personal Services	447,875	447,875	425,267	22,608
Contractual Services	134,950	134,950	99,600	35,350
Materials and Supplies	44,979	44,979	29,121	15,858
Total Recreation Camps	627,804	627,804	553,988	73,816
Recreation Parks/Swimming Pools:				
Personal Services	393,000	461,000	416,531	44,469
Contractual Services	251,254	266,254	213,995	52,259
Materials and Supplies	100,697	158,997	130,513	28,484
Capital Outlay	207,500	209,200	189,389	19,811
Other	2,100	2,100	1,026	1,074
Total Recreation Parks/Swimming Pools	954,551	1,097,551	951,454	146,097
Total Culture and Recreation	\$3,714,511	\$3,857,511	\$3,378,923	\$478,588

(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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Building and Community Development:				
Building Development:				
Personal Services	\$1,212,522	\$1,212,522	\$1,060,622	\$151,900
Contractual Services	292,287	292,287	225,303	66,984
Materials and Supplies	19,704	19,704	16,282	3,422
Capital Outlay	57,000	57,000	52,880	4,120
Other	470,460	470,460	103,915	366,545
Total Building and Community Development	2,051,973	2,051,973	1,459,002	592,971
<i>Total Expenditures</i>	57,206,424	60,363,324	50,937,979	9,425,345
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,389,563)	(8,265,719)	93,825	(10,491,146)
<b>Other Financing Uses</b>				
Transfers Out	(10,000,000)	(16,000,000)	(16,000,000)	0
<i>Net Change in Fund Balance</i>	(25,389,563)	(24,265,719)	(15,906,175)	(10,491,146)
<i>Fund Balance Beginning of Year</i>	27,458,009	27,458,009	27,458,009	0
Prior Year Encumbrances Appropriated	3,845,189	3,845,189	3,845,189	0
<i>Fund Balance End of Year</i>	\$5,913,635	\$7,037,479	\$15,397,023	(\$10,491,146)

**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, 2024*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Payments in Lieu of Taxes	\$4,400,000	\$4,330,000	\$3,261,417	(\$1,068,583)
<b>Expenditures</b>				
Current:				
General Government:				
Other	4,350,000	4,350,000	3,632,206	717,794
<i>Net Change in Fund Balance</i>	50,000	(20,000)	(370,789)	(350,789)
<i>Fund Balance Beginning of Year</i>	7,119,003	7,119,003	7,119,003	0
<i>Fund Balance End of Year</i>	<u>\$7,169,003</u>	<u>\$7,099,003</u>	<u>\$6,748,214</u>	<u>(\$350,789)</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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$246,452	\$422,159	\$175,707
Intergovernmental	0	29,497	29,497
Special Assessments	353,548	359,904	6,356
<i>Total Revenues</i>	<u>600,000</u>	<u>811,560</u>	<u>211,560</u>
<b>Expenditures</b>			
Current:			
Debt Service:			
Principal Retirement	545,000	545,000	0
Interest	373,000	370,391	2,609
<i>Total Expenditures</i>	<u>918,000</u>	<u>915,391</u>	<u>2,609</u>
<i>Net Change in Fund Balance</i>	(318,000)	(103,831)	214,169
<i>Fund Balance Beginning of Year</i>	<u>484,094</u>	<u>484,094</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$166,094</u></u>	<u><u>\$380,263</u></u>	<u><u>\$214,169</u></u>

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$380,000	\$3,445,276	\$3,065,276
Special Assessments	20,000	0	(20,000)
Other	0	427,750	427,750
<i>Total Revenues</i>	<u>400,000</u>	<u>3,873,026</u>	<u>3,473,026</u>
<b>Expenditures</b>			
Capital Outlay:			
Contractual Services	1,304,416	1,030,941	273,475
Capital Outlay	25,990,167	23,715,568	2,274,599
Other	6	2	4
<i>Total Expenditures</i>	<u>27,294,589</u>	<u>24,746,511</u>	<u>2,548,078</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(26,894,589)</u>	<u>(20,873,485)</u>	<u>6,021,104</u>
<b>Other Financing Sources</b>			
Sale of Capital Assets	100,000	88,421	(11,579)
Transfers In	15,500,000	15,500,000	0
<i>Total Other Financing Sources</i>	<u>15,600,000</u>	<u>15,588,421</u>	<u>(11,579)</u>
<i>Net Change in Fund Balance</i>	(11,294,589)	(5,285,064)	6,009,525
<i>Fund Balance Beginning of Year</i>	7,082,496	7,082,496	0
Prior Year Encumbrances Appropriated	11,294,589	11,294,589	0
<i>Fund Balance End of Year</i>	<u>\$7,082,496</u>	<u>\$13,092,021</u>	<u>\$6,009,525</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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$697,000	\$739,996	\$42,996
Interest	35,000	71,615	36,615
Other	13,000	0	(13,000)
<i>Total Revenues</i>	745,000	811,611	66,611
<b>Expenditures</b>			
Capital Outlay:			
Streets, Sidewalks, and Maintenance:			
Contractual Services	350,000	0	350,000
<i>Net Change in Fund Balance</i>	395,000	811,611	416,611
<i>Fund Balance Beginning of Year</i>	1,879,076	1,879,076	0
<i>Fund Balance End of Year</i>	\$2,274,076	\$2,690,687	\$416,611

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$54,000	\$60,000	\$6,000
Interest	6,000	11,311	5,311
<i>Total Revenues</i>	60,000	71,311	11,311
<b>Expenditures</b>			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Capital Outlay	150,000	0	150,000
<i>Net Change in Fund Balance</i>	(90,000)	71,311	161,311
<i>Fund Balance Beginning of Year</i>	325,357	325,357	0
<i>Fund Balance End of Year</i>	\$235,357	\$396,668	\$161,311

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines, Licenses and Permits	\$6,000	\$6,505	\$505
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Materials and Supplies	6,000	0	6,000
Capital Outlay	44,300	3,662	40,638
<i>Total Expenditures</i>	50,300	3,662	46,638
<i>Net Change in Fund Balance</i>	(44,300)	2,843	47,143
<i>Fund Balance Beginning of Year</i>	51,743	51,743	0
Prior Year Encumbrances Appropriated	300	300	0
<i>Fund Balance End of Year</i>	\$7,743	\$54,886	\$47,143

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$12,000	\$124,367	\$112,367
Interest	1,000	7,904	6,904
<i>Total Revenues</i>	<u>13,000</u>	<u>132,271</u>	<u>119,271</u>
<b>Expenditures</b>			
Current:			
Public Safety:			
Police Department:			
Materials and Supplies	10,000	0	10,000
Capital Outlay	298,749	13,749	285,000
<i>Total Expenditures</i>	<u>308,749</u>	<u>13,749</u>	<u>295,000</u>
<i>Net Change in Fund Balance</i>	(295,749)	118,522	414,271
<i>Fund Balance Beginning of Year</i>	347,697	347,697	0
Prior Year Encumbrances Appropriated	<u>13,749</u>	<u>13,749</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$65,697</u></u>	<u><u>\$479,968</u></u>	<u><u>\$414,271</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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Property Taxes	\$756,406	\$759,859	\$3,453
Intergovernmental	30,000	53,093	23,093
<i>Total Revenues</i>	<u>786,406</u>	<u>812,952</u>	<u>26,546</u>
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Personal Services	569,800	516,175	53,625
Other	200	14	186
<i>Total Expenditures</i>	<u>570,000</u>	<u>516,189</u>	<u>53,811</u>
<i>Net Changes in Fund Balance</i>	216,406	296,763	80,357
<i>Fund Balance Beginning of Year</i>	<u>52,135</u>	<u>52,135</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$268,541</u></u>	<u><u>\$348,898</u></u>	<u><u>\$80,357</u></u>

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Special Assessments	\$10,100	\$13,118	\$3,018
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Contractual Services	34,244	34,240	4
Other	131	130	1
<i>Total Expenditures</i>	34,375	34,370	5
<i>Net Change in Fund Balance</i>	(24,275)	(21,252)	3,023
<i>Fund Balance Beginning of Year</i>	88,583	88,583	0
Prior Year Encumbrances Appropriated	1,975	1,975	0
<i>Fund Balance End of Year</i>	\$66,283	\$69,306	\$3,023

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Payments in Lieu of Taxes	\$268,196	\$268,196	\$0
<b>Expenditures</b>			
Current:			
General Government			
Other	268,196	268,196	0
<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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Other	\$500	\$615	\$115
<b>Expenditures</b>	3,400	0	3,400
<i>Net Change in Fund Balance</i>	(2,900)	615	(3,285)
<i>Fund Balance Beginning of Year</i>	3,435	3,435	0
<i>Fund Balance End of Year</i>	\$535	\$4,050	(\$3,285)

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Settlements	\$4,950	\$40,009	\$35,059
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Other	16,500	0	16,500
<i>Net Change in Fund Balance</i>	(11,550)	40,009	51,559
<i>Fund Balance Beginning of Year</i>	17,907	17,907	0
<i>Fund Balance End of Year</i>	\$6,357	\$57,916	\$51,559

**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*American Rescue Plan Act Fund*  
*For the Year Ended December 31, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$290,896	\$290,896	\$0
<b>Expenditures</b>			
Current:			
Public Safety:			
Police:			
Personal Services	429,019	425,283	3,736
<i>Net Change in Fund Balance</i>	(138,123)	(134,387)	3,736
<i>Fund Balance Beginning of Year</i>	125,387	125,387	0
Prior Year Encumbrances Appropriated	9,000	9,000	0
<i>Fund Balance (Deficit) End of Year</i>	(\$3,736)	\$0	\$3,736

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
Public Services:			
Capital Outlay	54,656	54,656	0
<i>Net Change in Fund Balance</i>	(54,656)	(54,656)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	54,656	54,656	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

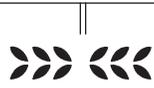
**City of Beachwood, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Revolving Loan Fund*  
*For the Year Ended December 31, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>	\$0	\$0	\$0
<b>Expenditures</b>			
Current:			
General Government			
Contractual Services	50,000	0	50,000
Other	450,000	20,000	430,000
<i>Total Expenditures</i>	500,000	20,000	480,000
<i>Excess of Revenues Under Expenditures</i>	(500,000)	(20,000)	(480,000)
<b>Other Financing Sources</b>			
Transfers In	500,000	500,000	0
<i>Net Change in Fund Balance</i>	0	480,000	(480,000)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$480,000	(\$480,000)

**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, 2024*

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Charges for Services	\$160,000	\$40,020	(\$119,980)
<b>Expenses</b>			
Claims	160,000	40,020	119,980
<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



## 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021 (4)</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$86,151,507	\$76,346,685	\$73,766,972	\$71,970,337
Restricted	15,859,946	14,879,825	15,744,281	14,039,433
Unrestricted (Deficit)	<u>1,730,398</u>	<u>11,985,150</u>	<u>7,393,022</u>	<u>6,300,800</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$103,741,851</u>	<u>\$103,211,660</u>	<u>\$96,904,275</u>	<u>\$92,310,570</u>

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

<u>2020</u>	<u>2019</u>	<u>2018 (3)</u>	<u>2017 (2)</u>	<u>2016</u>	<u>2015 (1)</u>
\$72,816,039	\$71,765,502	\$71,879,216	\$70,352,464	\$72,371,648	\$68,776,471
14,096,600	15,211,933	9,210,147	9,738,490	10,024,640	10,417,622
<u>(4,881,502)</u>	<u>(3,096,089)</u>	<u>(11,622,490)</u>	<u>(12,040,821)</u>	<u>18,052,420</u>	<u>23,490,781</u>
<u>\$82,031,137</u>	<u>\$83,881,346</u>	<u>\$69,466,873</u>	<u>\$68,050,133</u>	<u>\$100,448,708</u>	<u>\$102,684,874</u>

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

	2024	2023	2022	2021 (8)
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
General Government (3)	\$60,077	\$62,278	\$60,012	\$133,454
Public Safety				
Police	608,555	731,306	586,980	499,167
Fire	1,485,664	1,350,709	1,256,043	1,069,980
Health and Welfare (7)	0	0	0	0
Culture and Recreation	1,212,772	981,486	1,012,511	745,539
Building and Community Development	970,570	1,167,183	1,620,357	1,738,742
Operating Grants and Contributions	1,471,255	1,354,590	840,659	974,480
Capital Grants and Assessments	3,939,955	753,394	348,969	76,000
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>9,748,848</u>	<u>6,400,946</u>	<u>5,725,531</u>	<u>5,237,362</u>
<b>Expenses</b>				
Governmental Activities:				
General Government	15,937,187	13,758,914	12,532,756	12,427,670
Public Safety				
Police	13,880,303	14,004,497	9,536,053	9,083,614
Fire	11,410,833	11,034,511	9,446,988	9,310,350
Public Services	14,096,620	14,462,432	12,045,973	8,735,102
Health and Welfare (7)	0	0	0	0
Culture and Recreation	3,407,044	2,617,056	2,801,675	2,131,856
Building and Community Development	1,447,864	1,517,877	1,022,337	899,829
Interest	338,501	355,168	365,105	342,631
<i>Total Governmental Activities Expenses</i>	<u>60,518,352</u>	<u>57,750,455</u>	<u>47,750,887</u>	<u>42,931,052</u>
<i>Total Primary Government Net Expense</i>	<u>(50,769,504)</u>	<u>(51,349,509)</u>	<u>(42,025,356)</u>	<u>(37,693,690)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	166,256	2,919,443	2,795,568	3,050,260
Police Pension	702,976	327,984	226,688	247,318
Bond Retirement	388,682	51,505	0	0
Payments in Lieu of Taxes (6)	3,529,613	4,630,696	4,604,785	4,573,517
Municipal Income Taxes Levied				
For General Purposes	44,495,317	43,253,157	38,956,945	37,712,799
Admission, Lodging, and Franchise Taxes	1,331,443	1,263,642	1,181,522	903,742
Estate Taxes (4)	0	0	0	0
Grants and Entitlements not Restricted to				
Specific Programs	545,178	1,625,498	520,414	448,799
Investment Earnings/Interest	2,544,887	2,791,759	(2,119,731)	164,483
Health Care Reimbursements (2)	0	0	0	0
Gain on Sale of Capital Assets	0	0	0	644,695
Other	679,541	793,210	452,870	227,510
<i>Total Governmental Activities</i>	<u>54,383,893</u>	<u>57,656,894</u>	<u>46,619,061</u>	<u>47,973,123</u>
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u>\$3,614,389</u>	<u>\$6,307,385</u>	<u>\$4,593,705</u>	<u>\$10,279,433</u>

(1) Reflects restated amount due to overstatement of property taxes receivable. Due to an 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.

2020	2019	2018 (5)	2017	2016	2015 (1)
\$193,617	\$181,985	\$283,511	\$62,204	\$123,970	\$50,062
636,208	972,942	837,690	920,482	944,331	738,114
1,018,780	1,165,872	1,121,174	1,067,227	1,118,208	1,040,227
0	179,510	159,768	151,837	175,440	183,947
35,463	967,271	946,086	911,305	886,806	877,917
1,376,373	1,007,910	1,155,815	1,009,279	1,113,899	836,062
1,579,124	763,100	604,299	577,788	580,804	561,164
0	0	0	0	0	7,040,066
4,839,565	5,238,590	5,108,343	4,700,122	4,943,458	11,327,559
13,817,557	14,226,642	13,184,644	6,006,746	5,259,319	5,473,129
12,235,542	5,691,197	12,384,365	10,912,329	11,441,604	8,822,787
10,413,971	1,189,562	10,124,266	8,834,478	8,427,825	7,586,492
14,557,931	14,503,424	14,004,105	17,334,140	13,799,108	12,630,671
0	755,917	680,821	653,796	624,340	582,497
2,334,835	3,195,413	2,981,223	3,068,098	2,919,961	2,807,443
1,408,867	1,703,788	1,375,347	1,315,950	1,238,072	1,126,129
505,252	607,961	661,617	510,788	546,941	458,314
55,273,955	41,873,904	55,396,388	48,636,325	44,257,170	39,487,462
(50,434,390)	(36,635,314)	(50,288,045)	(43,936,203)	(39,313,712)	(28,159,903)
2,862,897	2,797,545	2,321,760	2,391,231	2,200,373	427,661
232,107	225,295	188,264	193,890	178,401	36,662
0	0	0	0	0	0
4,470,526	4,467,725	5,144,070	N/A	N/A	N/A
37,676,377	38,158,389	35,617,726	31,142,611	31,406,702	31,413,201
793,102	1,503,167	1,532,086	1,530,036	1,588,838	1,535,722
0	4,253	1,325	16,795	12,140	34,935
657,586	418,287	334,032	873,277	399,031	407,038
980,316	1,696,330	557,805	282,320	279,519	148,034
0	608,325	595,177	539,444	486,753	455,050
723,515	0	211,333	0	0	0
187,755	1,170,471	872,354	315,586	525,789	404,522
48,584,181	51,049,787	47,375,932	37,285,190	37,077,546	34,862,825
(\$1,850,209)	\$14,414,473	(\$2,912,113)	(\$6,651,013)	(\$2,236,166)	\$6,702,922

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

	2024	2023	2022	2021 (2)
General Fund				
Nonspendable	\$1,703,840	\$1,712,812	\$1,618,381	\$1,396,727
Committed	1,477,782	845,783	1,272,598	1,238,017
Assigned	11,872,616	16,191,935	11,606,958	9,261,741
Unassigned	10,777,685	17,273,947	22,373,652	26,002,014
<i>Total General Fund</i>	<u>25,831,923</u>	<u>36,024,477</u>	<u>36,871,589</u>	<u>37,898,499</u>
All Other Governmental Funds				
Restricted	11,337,430	10,545,474	9,102,413	9,263,112
Committed	2,134,571	5,810,336	4,627,030	2,964,244
Assigned	21,141,306	12,065,053	7,691,905	10,201,428
Total All Other Governmental Funds	<u>34,613,307</u>	<u>28,420,863</u>	<u>21,421,348</u>	<u>22,428,784</u>
<i>Total Governmental Funds</i>	<u>\$60,445,230</u>	<u>\$64,445,340</u>	<u>\$58,292,937</u>	<u>\$60,327,283</u>

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

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

2020	2019	2018 (1)	2017	2016	2015
\$1,515,687	\$1,789,300	\$1,116,696	\$1,031,801	\$1,256,882	\$1,257,388
855,562	462,785	233,883	330,578	209,021	348,655
7,577,785	1,411,891	1,159,553	924,832	983,890	948,993
27,586,615	31,886,921	29,997,388	27,811,086	26,750,185	23,731,765
37,535,649	35,550,897	32,507,520	30,098,297	29,199,978	26,286,801
8,896,957	9,574,383	8,658,423	8,225,090	2,371,476	2,136,854
949,095	426,780	803,068	886,010	691,523	2,612,281
11,039,994	11,596,800	10,030,600	11,669,582	14,010,045	16,159,439
20,886,046	21,597,963	19,492,091	20,780,682	17,073,044	20,908,574
\$58,421,695	\$57,148,860	\$51,999,611	\$50,878,979	\$46,273,022	\$47,195,375

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

	2024	2023	2022	2021 (4)
<b>Revenues</b>				
Property Taxes	\$1,350,880	\$3,327,560	\$3,183,351	\$3,061,008
Municipal Income Taxes	44,136,745	43,087,628	39,240,681	37,649,248
Charges for Services	3,162,083	2,787,319	2,694,213	1,661,222
Fines, Licenses, and Permits	1,145,273	1,362,750	1,826,511	1,880,159
Intergovernmental	5,528,293	3,755,787	1,646,202	2,059,409
Estate Taxes	0	0	0	0
Admission Taxes	421,336	381,196	339,037	298,442
Lodging Taxes	799,353	767,227	721,046	481,643
Franchise Taxes	110,754	115,219	121,439	123,657
Health Care Reimbursements (1)	0	0	0	0
Payments in Lieu of Taxes	3,529,613	4,630,696	4,604,785	4,573,517
Special Assessments	373,022	272,661	631,731	508,045
Settlements	39,786	13,176	4,954	0
Investment Earnings/Interest	2,616,502	2,832,075	(2,102,105)	182,437
Other	679,541	793,210	452,870	227,510
<b>Total Revenues</b>	<b>63,893,181</b>	<b>64,126,504</b>	<b>53,364,715</b>	<b>52,706,297</b>
<b>Expenditures</b>				
Current:				
General Government	15,120,182	14,101,818	12,985,646	13,585,580
Public Safety				
Police	12,446,890	12,191,507	11,266,584	11,464,218
Fire	9,928,882	9,205,380	9,054,569	8,637,163
Public Services	10,839,324	10,473,183	10,695,546	9,404,355
Health and Welfare (3)	0	0	0	0
Culture and Recreation	3,151,458	2,844,989	2,636,583	2,092,209
Building and Community Development	1,342,972	1,426,805	1,490,830	1,644,787
Capital Outlay	14,129,298	6,797,587	6,351,580	3,261,415
Debt Service:				
Principal Retirement	563,099	545,020	520,000	3,080,000
Interest	371,186	387,812	397,723	472,513
Bond Issuance Costs	0	0	0	0
<b>Total Expenditures</b>	<b>67,893,291</b>	<b>57,974,101</b>	<b>55,399,061</b>	<b>53,642,240</b>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	<b>(4,000,110)</b>	<b>6,152,403</b>	<b>(2,034,346)</b>	<b>(935,943)</b>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	0	2,841,531
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	15,500,000	11,700,000	4,000,000	4,300,000
Transfers Out	(15,500,000)	(11,700,000)	(4,000,000)	(4,300,000)
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,841,531</b>
<b>Net Change in Fund Balances</b>	<b>(\$4,000,110)</b>	<b>\$6,152,403</b>	<b>(\$2,034,346)</b>	<b>\$1,905,588</b>
Debt Service as a Percentage of				
Noncapital Expenditures	1.77%	1.83%	1.91%	7.05%

(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.

2020	2019	2018 (2)	2017	2016	2015
\$3,028,975	\$3,017,332	\$2,756,817	\$2,772,437	\$2,663,259	\$2,527,134
37,554,566	38,375,841	35,345,344	30,875,367	33,039,556	30,538,900
1,718,829	3,173,345	3,387,538	2,811,098	2,941,291	2,599,402
1,530,145	1,280,172	1,096,226	1,290,776	1,410,447	1,117,554
2,209,369	1,127,252	915,248	1,456,226	973,729	966,119
0	4,253	1,325	16,795	12,140	34,935
256,109	348,689	338,557	340,084	326,335	331,403
405,194	1,020,252	1,053,716	1,056,185	1,121,150	1,059,815
131,799	134,226	139,813	133,767	141,353	144,504
620,707	608,325	595,177	539,444	486,753	455,050
4,470,526	4,467,725	5,144,070	n/a	n/a	n/a
598,738	609,570	608,896	609,309	701,663	466,165
0	0	0	0	0	0
999,932	1,727,412	578,495	290,336	283,735	150,277
187,755	1,170,471	872,354	315,586	525,789	404,522
<u>53,712,644</u>	<u>57,064,865</u>	<u>52,833,576</u>	<u>42,507,410</u>	<u>44,627,200</u>	<u>40,795,780</u>
13,066,747	12,927,435	12,282,766	5,201,196	4,766,021	4,983,494
11,221,725	10,677,654	10,526,238	9,770,097	10,455,847	8,765,233
9,287,120	8,320,491	7,957,349	7,565,990	7,488,100	7,093,500
9,544,733	9,178,263	9,873,149	9,874,685	9,935,088	9,717,072
382,826	631,186	615,967	674,271	596,923	578,049
1,419,476	2,503,104	2,456,726	2,509,420	2,464,090	2,464,934
1,311,800	1,384,016	1,433,545	1,140,131	1,200,045	1,110,528
1,977,839	3,402,279	9,550,126	8,018,740	6,187,647	2,807,187
4,505,000	2,205,000	2,110,000	1,840,000	1,835,000	1,785,000
624,597	686,188	777,813	513,813	620,792	488,226
0	0	0	171,180	0	0
<u>53,341,863</u>	<u>51,915,616</u>	<u>57,583,679</u>	<u>47,279,523</u>	<u>45,549,553</u>	<u>39,793,223</u>
<u>370,781</u>	<u>5,149,249</u>	<u>(4,750,103)</u>	<u>(4,772,113)</u>	<u>(922,353)</u>	<u>1,002,557</u>
902,054	0	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
3,400,000	6,000,000	4,000,000	12,761,000	3,766,400	4,766,400
<u>(3,400,000)</u>	<u>(6,000,000)</u>	<u>(4,000,000)</u>	<u>(12,761,000)</u>	<u>(3,766,400)</u>	<u>(4,766,400)</u>
<u>902,054</u>	<u>0</u>	<u>1,300,000</u>	<u>9,378,070</u>	<u>0</u>	<u>5,639,570</u>
<u>\$1,272,835</u>	<u>\$5,149,249</u>	<u>(\$3,450,103)</u>	<u>\$4,605,957</u>	<u>(\$922,353)</u>	<u>\$6,642,127</u>
10.04%	5.88%	6.02%	6.12%	6.49%	6.28%

**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
2024	2.00%	\$44,495,317	\$34,626,256	77.82%	\$6,260,491
2023	2.00	43,253,157	31,159,574	72.04	8,520,872
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

(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
14.07%	\$3,608,570	8.11%
19.70	3,572,711	8.26
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

**City of Beachwood, Ohio**  
*Income Tax Statistics*  
 2023 (1) and Nine Years Ago

2023				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	863	22.11%	\$8,182,410	1.49%
\$25,000-\$49,999	502	12.86	18,932,060	3.46
\$50,000-\$74,999	486	12.45	30,332,396	5.54
\$75,000-\$99,999	407	10.43	35,516,717	6.49
Over \$100,000	1,645	42.15	454,402,610	83.02
Total	<u>3,903</u>		<u>\$547,366,193</u>	

2015				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,180	31.17%	(\$446,611)	-0.10%
\$25,000-\$49,999	457	12.07	17,101,408	3.95
\$50,000-\$74,999	428	11.30	26,199,522	6.06
\$75,000-\$99,999	345	9.11	30,005,419	6.94
Over \$100,000	1,376	36.35	359,788,870	83.15
Total	<u>3,786</u>		<u>\$432,648,608</u>	

(1) 2023 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.

2024	
Taxpayer	Ranking
* Eaton Corporation	1
Cleveland Clinic Foundation	2
* University Hospitals	3
Mim Software Inc.	4
Beachwood City School District	5
City of Beachwood	6
Price for Profit	7
Tremco Inc.	8
Master Builders Solutions	9
Select Employment Services Inc.	10

2015	
Taxpayer	Ranking
Cleveland Clinic Foundation	1
* Eaton Corporation	2
Developers Diversified	3
Menorah Park Center	4
* University Hospitals	5
BASF, Corporation	6
Aleris Ohio Management	7
Tremco Inc.	8
Beachwood City School District	9
City of Beachwood	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*

	2024	2023	2022	2021
Total Assessed Property Value	<u>\$1,148,552,210</u>	<u>\$943,735,230</u>	<u>\$924,266,190</u>	<u>\$912,477,130</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$7,130,000	\$7,420,000	\$7,705,000	\$7,985,000
Special Assessment Bonds	<u>3,335,000</u>	<u>3,590,000</u>	<u>3,835,000</u>	<u>4,075,000</u>
Total Gross Indebtedness	10,465,000	11,010,000	11,540,000	12,060,000
Less:				
Special Assessment Bonds	(3,335,000)	(3,590,000)	(3,835,000)	(4,075,000)
Debt Service Fund Balance	<u>(380,263)</u>	<u>(484,094)</u>	<u>(712,986)</u>	<u>(435,609)</u>
Total Net Debt Applicable to Debt Limit	<u>6,749,737</u>	<u>6,935,906</u>	<u>6,992,014</u>	<u>7,549,391</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>120,597,982</u>	<u>99,092,199</u>	<u>97,047,950</u>	<u>95,810,099</u>
Legal Debt Margin within 10 1/2% Limitation	<u>\$113,848,245</u>	<u>\$92,156,293</u>	<u>\$90,055,936</u>	<u>\$88,260,708</u>
Legal Debt Margin as a Percentage of the Debt Limit	94.40%	93.00%	92.80%	92.12%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	<u>\$63,170,372</u>	<u>\$51,905,438</u>	<u>\$50,834,640</u>	<u>\$50,186,242</u>
Total Gross Indebtedness	10,465,000	11,010,000	11,540,000	12,060,000
Less:				
Special Assessment Bonds	(3,335,000)	(3,590,000)	(3,835,000)	(4,075,000)
Debt Service Fund Balance	<u>(380,263)</u>	<u>(484,094)</u>	<u>(712,986)</u>	<u>(435,609)</u>
Net Debt within 5 1/2% Limitation	<u>6,749,737</u>	<u>6,935,906</u>	<u>6,992,014</u>	<u>7,549,391</u>
Unvoted Legal Debt Margin within 5 1/2% Limitation	<u>\$56,420,635</u>	<u>\$44,969,532</u>	<u>\$43,842,626</u>	<u>\$42,636,851</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	89.32%	86.64%	86.25%	84.96%

Source: City Financial Records

2020	2019	2018	2017	2016	2015
<u>\$847,441,300</u>	<u>\$834,526,610</u>	<u>\$809,493,510</u>	<u>\$759,604,780</u>	<u>\$756,858,970</u>	<u>\$813,853,540</u>
\$10,835,000	\$14,675,000	\$16,475,000	\$18,195,000	\$10,655,000	\$12,085,000
<u>4,305,000</u>	<u>4,970,000</u>	<u>5,375,000</u>	<u>5,765,000</u>	<u>6,145,000</u>	<u>6,550,000</u>
15,140,000	19,645,000	21,850,000	23,960,000	16,800,000	18,635,000
(4,305,000)	(4,970,000)	(5,375,000)	(5,765,000)	(6,145,000)	(6,550,000)
<u>(239,683)</u>	<u>(1,402,877)</u>	<u>(726,674)</u>	<u>(1,045,726)</u>	<u>(862,918)</u>	<u>(785,931)</u>
<u>10,595,317</u>	<u>13,272,123</u>	<u>15,748,326</u>	<u>17,149,274</u>	<u>9,792,082</u>	<u>11,299,069</u>
88,981,337	87,625,294	84,996,819	79,758,502	79,470,192	85,454,622
<u>\$78,386,020</u>	<u>\$74,353,171</u>	<u>\$69,248,493</u>	<u>\$62,609,228</u>	<u>\$69,678,110</u>	<u>\$74,155,553</u>
88.09%	84.85%	81.47%	78.50%	87.68%	86.78%
<u>\$46,609,272</u>	<u>\$45,898,964</u>	<u>\$44,522,143</u>	<u>\$41,778,263</u>	<u>\$41,627,243</u>	<u>\$44,761,945</u>
15,140,000	19,645,000	21,850,000	23,960,000	16,800,000	18,635,000
(4,305,000)	(4,970,000)	(5,375,000)	(5,765,000)	(6,145,000)	(6,550,000)
<u>(239,683)</u>	<u>(1,402,877)</u>	<u>(726,674)</u>	<u>(1,045,726)</u>	<u>(862,918)</u>	<u>(785,931)</u>
<u>10,595,317</u>	<u>13,272,123</u>	<u>15,748,326</u>	<u>17,149,274</u>	<u>9,792,082</u>	<u>11,299,069</u>
<u>\$36,013,955</u>	<u>\$32,626,841</u>	<u>\$28,773,817</u>	<u>\$24,628,989</u>	<u>\$31,835,161</u>	<u>\$33,462,876</u>
77.27%	71.08%	64.63%	58.95%	76.48%	74.76%

**City of Beachwood, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*December 31, 2024*

	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	\$7,399,689	100.00%	\$7,399,689
Special Assessment Bonds	3,506,751	100.00%	3,506,751
<i>Total Direct</i>	<u>10,906,440</u>		<u>10,906,440</u>
<b>Overlapping</b>			
Beachwood City Schools			
General Obligation Bonds	79,979,774	99.72%	79,755,831
Notes Payable	5,313,327	99.72%	5,298,450
Cuyahoga County			
General Obligation Bonds	225,064,969	2.36%	5,311,533
Revenue Bonds	588,073,409	2.36%	13,878,532
Certificates of Participation	136,987,839	2.36%	3,232,913
Loans Payable	999,130	2.36%	23,579
Financed Purchases	162,812,967	2.36%	3,842,386
Leases Payable	6,099,428	2.36%	143,947
SBITAs Payable	10,488,084	2.36%	247,519
Regional Transit Authority	<u>27,369,203</u>	2.36%	<u>645,913</u>
<i>Total Overlapping</i>	<u>1,243,188,130</u>		<u>112,380,603</u>
<i>Totals</i>	<u><u>\$1,254,094,570</u></u>		<u><u>\$123,287,043</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)
2024	\$7,399,689	\$1,148,552,210	0.64%	\$527
2023	7,704,812	943,735,230	0.82	549
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

(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.

Other Governmental Activities Debt				
Special Assessment Bonds	Subscriptions	Total Debt	Percentage of Personal Income (2)	Per Capita (2)
\$3,506,751	\$0	\$10,906,440	1.90%	\$777
3,777,980	18,099	\$11,500,891	2.00	819
4,039,209	0	\$12,044,144	2.10	858
4,295,437	0	\$12,595,495	2.19	897
4,541,665	0	\$15,799,515	2.75	1,322
5,222,894	0	\$20,411,283	3.56	1,708
5,644,123	0	\$22,689,379	3.95	1,898
6,050,351	0	\$24,872,473	4.33	2,081
6,446,580	0	\$17,394,896	3.03	1,455
6,867,808	0	\$19,290,204	3.36	1,614

**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)
2024	14,040	\$783,488,160	\$55,804	\$88,709	51.4
2023	14,040	783,488,160	55,804	88,709	51.4
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

(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 Department of Job & Family Services Website: [www.jfs.ohio.gov](http://www.jfs.ohio.gov)

(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
1,478	62.8%	3.9%	\$470,900	\$1,148,552,210
1,511	62.8	3.8	470,900	943,735,230
1,618	62.8	6.5	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

**City of Beachwood, Ohio**

*Principal Employers*

*2023 (1) and Nine Years Ago*

2023		
Employer	Employees	Percentage of Total
University Hospitals Health System	4,233	16.67%
Cleveland Clinic Foundation	2,227	8.77
Eaton Corporation	842	3.31
Menorah Park Center	701	2.76
Beachwood City School District	525	2.07
Select Employment Services	507	2.00
City of Beachwood	423	1.67
Lifetime Fitness Club	388	1.53
Penske Logistics	327	1.29
Montefire Home	222	0.86
<b>Total</b>	<b>10,395</b>	<b>40.93%</b>
<b>Total Employment within the City</b>	<b>25,400</b>	

2015		
Employer	Employees	Percentage of Total
Cleveland Clinic Foundation	2,553	10.11%
University Hospitals	1,252	4.96
Menorah Park Center	1,105	4.38
Eaton Corporation	966	3.83
Beachwood City School District	545	2.16
Developers Diversified	503	1.99
City of Beachwood	499	1.98
Montefire Home	496	1.96
Penske	475	1.88
Nordstrom	466	1.83
<b>Total</b>	<b>8,860</b>	<b>35.08%</b>
<b>Total Employment within the City</b>	<b>25,253</b>	

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

(1) Information for 2024 was not available as of 12/31/24.

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

<b>Function/Program</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>General Government</b>				
Square Footage Occupied	70,786	70,786	70,786	70,786
Vehicles	4	4	3	2
<b>Police</b>				
Stations	1	1	1	1
Square Footage of Building	72,254	72,254	72,254	72,254
Vehicles	31	34	34	33
<b>Fire</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	67	65	64
Square Footage of Building	182,000	182,000	182,000	182,000
<b>Culture and Recreation</b>				
Number of Parks (2)	3	3	3	3
Number of Pools	1	1	1	1
Vehicles	4	4	6	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

2020	2019	2018	2017	2016	2015
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
34	32	32	31	33	33
2	2	2	2	2	2
21,970	21,970	21,970	21,970	21,970	21,970
25,615	25,615	25,615	5,472	5,472	5,472
16	16	16	16	16	15
46	46	46	46	46	46
67	67	67	66	68	63
300,000	300,000	300,000	300,000	300,000	300,000
3	3	2	2	2	2
1	1	1	1	1	1
7	7	7	7	6	5
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	2024	2023	2022	2021
<b>General Government</b>				
Number of Ordinances and Resolutions	157	156	165	168
Number of non-payroll checks processed	3,463	3,326	3,444	3,237
Number of purchase orders issued	2,722	2,802	2,939	2,679
<b>Public Safety</b>				
<b>Police</b>				
Total arrests	444	565	608	516
Drug arrests	5	15	22	23
OVI arrests (formally DUI)	46	38	52	56
Warrants served	160	198	209	166
<b>Fire</b>				
Total EMS and Fire responses	5,760	5,471	5,528	5,605
Total Fire responses	905	1,022	1,235	1,452
Total EMS responses	4,855	4,449	4,293	4,153
Routine fire safety inspections	N/A	1,555	1,237	1,258
Re-inspections	N/A	357	527	632
<b>Public Services</b>				
Tons of rubbish picked up	3,399	3,419	3,360	3,737
Tons of leaves collected for recycling	863	1,047	1,740	1,260
Number of trees planted	135	96	116	304
Number of catch basins cleaned and repaired	389	483	404	547
Tons of cold patch used	18	23	20	10
Tons of concrete poured and finished	144	148	513	209
Tons of salt purchased	5,681	6,042	9,940	6,821
<b>Culture and Recreation</b>				
Total attendance at Aquatic Center	47,710	48,109	51,814	44,420
<b>Building and Community Development</b>				
Number of permits issued	1,568	1,571	1,695	1,613

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

2020 (1)	2019	2018	2017	2016	2015
173	170	200	171	168	187
3,373	3,975	4,046	4,286	4,326	4,234
2,690	3,298	3,515	3,839	4,233	4,363
527	1,041	1,167	955	745	733
48	53	290	157	34	7
36	117	147	87	107	102
151	406	324	398	301	248
4,480	5,605	5,501	5,178	5,262	4,980
968	1,452	1,321	979	985	957
3,512	4,153	4,180	4,199	4,277	4,023
1,765	1,275	1,326	666	657	1,385
454	563	1,193	373	306	611
3,879	3,429	3,410	3,380	3,297	3,416
942	603	487	409	409	405
219	221	222	255	428	469
33	210	131	205	439	495
10	0	31	10	199	20
248	405	821	662	1,275	530
5,910	7,976	12,973	8,414	7,345	10,532
0	44,002	49,755	46,179	48,482	49,401
1,652	1,987	2,004	2,018	1,955	2,008

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

	2024	2023	2022	2021
General Government				
Council	7.0	7.0	7.0	7.0
Mayor's Office	4.0	3.0	3.0	3.0
Economic Development	1.0	1.0	1.0	0.0
Human Resources	1.0	1.0	1.0	2.0
Finance	10.0	10.0	9.0	10.0
Law	3.0	3.0	4.0	5.0
Public Safety				
Police Administration	8.0	6.0	7.0	7.0
Police Officers	45.0	46.0	42.0	45.0
Dispatchers	16.0	15.0	15.0	15.0
Fire Administration	5.0	5.0	5.0	5.0
Fire Fighters	45.0	43.0	45.0	42.0
Public Service	55.0	54.0	54.0	53.0
Culture and Recreation				
Recreation Administration	8.0	8.0	8.0	10.0
Building and Community Development				
Building Department	9.0	8.0	11.0	10.0
Total	<u>217.0</u>	<u>210.0</u>	<u>212.0</u>	<u>214.0</u>

Source: City of Beachwood records

(1) At December 31, 2016, there were nine full-time vacancies.

2020	2019	2018	2017	2016 (1)	2015
7.0	7.0	7.0	7.0	7.0	7.0
3.0	3.0	3.0	3.0	3.0	3.0
0.0	1.0	1.0	1.0	2.0	2.0
2.0	2.0	2.0	2.0	2.0	2.0
10.0	11.0	11.0	10.0	7.0	9.0
3.0	3.0	3.0	3.0	4.0	4.0
6.0	6.0	6.0	6.0	3.0	3.0
42.0	45.0	43.0	44.0	40.0	43.0
15.0	15.0	14.0	15.0	14.0	15.0
5.0	5.0	5.0	5.0	6.0	5.0
42.0	42.0	42.0	42.0	40.0	42.0
53.0	54.0	56.0	56.0	55.0	54.0
10.0	11.0	11.0	11.0	11.0	10.0
10.0	10.0	10.0	11.0	10.0	10.0
208.0	215.0	214.0	216.0	204.0	209.0

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