

THE CITY OF BEACHWOOD OHIO
Comprehensive Annual Financial Report

C A F R

for the year ended

DECEMBER 31, 2014

CITY OF
Beachwood

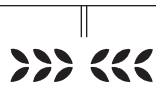
THE CITY OF BEACHWOOD OHIO

Comprehensive Annual Financial Report
for the year ended December 31, 2014



PREPARED BY : *Office of the Finance Director*
David A. Pfaff, CPA
Finance Director

INTRODUCTORY SECTION



City of Beachwood, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
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25325 FAIRMOUNT BOULEVARD • BEACHWOOD, OHIO 44122

MAYOR
MERLE S. GORDEN

June 29, 2015

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) Comprehensive Annual Financial Report (CAFR). This CAFR represents the official report of the City of Beachwood's operations and financial position for the year ended December 31, 2014, 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. The Auditor of State's Office performed these services for the year 2014. 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.

FINANCE DEPARTMENT
DAVID A. PFAFF, CPA, FINANCE DIRECTOR
PHONE (216) 464-1070 • FAX (216) 292-1912

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 11,953. 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. 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 revised Charter, the Mayor is to be elected every fourth year - the first election under the revised Charter being held in 1997, for a term of four years. 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 agency funds, are legally required to be budgeted and appropriated. The legal level of control has been established by Council at the personal services and other object level within each fund. Modifications or amendments to control levels in the Appropriation Ordinance require Council approval; internal City financial policies permit fund transfers within control levels with approval by the Mayor and Finance Director.

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

Local Economy

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

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

The City has consistently enjoyed the benefits of a strong commercial employment base that has provided for a consistent level of withholding tax collections. This strong commercial base allows the City of Beachwood to be one of the few communities in northeast Ohio that gives a 100 percent income tax credit to its residents. Initially implemented as a temporary measure for 1997-1998, the credit was extended indefinitely in the year 2000. 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. However, in 2009 the City was not immune to the prolonged economic downturn of the entire country. Based upon the declining revenue generated by the City's withholding tax, the City was forced in 2010 to ask our residents to approve the first income tax increase in 20 years. This ½ percent increase to 2 percent was approved by our residents in November of 2010 and became effective January 1, 2011. This increase resulted in an increase in income tax collections of over 46 percent in 2011 and 62 percent in 2012. This increase along with the opening of the University Hospital Ahuja Medical Center, Eaton Corporation Headquarters, and future development of other sites in Chagrin Highlands 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. This increase should also enable the City to adsorb the loss and/or reduction of various revenue sources from the State of Ohio, including the loss of the Estate Tax which is estimated to be approximately \$2,500,000 to \$3,000,000 annually.

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.

The Chagrin Highlands will be a focal point of future economic growth for the City. Employment projections for the next twenty years indicate that potentially 20,000 individuals will obtain jobs in Chagrin Highlands businesses.

In early 2011, University Hospitals opened their brand new medical center. This state of the art center features a 200 bed hospital, an ambulatory surgery center and physician offices.

In 2009 the City approved a tax incentive package with Eaton Corporation to build their headquarters in the City of Beachwood. Eaton moved into their new building in early 2013. The building is on approximately 50 acres of land in the west side of the Chagrin Highlands. Eaton currently has approximately 900 employees at this site and expects to eventually grow to over 1,000 people. The City feels very strongly that this development will spur other substantial development within the Chagrin Highlands.

Other recently completed projects in Chagrin Highlands include OMNOVA Solutions who moved into their new global headquarters in Chagrin Highlands in October of 2014. This approximately \$17,000,000 project will ultimately bring an estimated 180 new jobs and \$21,000,000 in payroll to the City.

In addition to projects in the Chagrin Highlands other major commercial projects in the City included the opening of Infiniti of Beachwood, a \$25,000,000 expansion of BASF, and an \$8,500,000 renovation and addition at the Clarion Hotel and Hotel Indigo.

Residential projects included the \$32,000,000, 348 luxury apartment building named “The Vue”. Phase one of The Vue opened in December of 2014. Additionally, the Four Seasons Apartments completed their fourth and final stage. This \$18,900,000 project included 144 luxury distinctive apartments, a 24 hour fitness studio and four stores.

The Cleveland Clinic, Eaton Corporation, Menorah Park 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 \$110,000,00 over the past fifteen years on City streets, facilities and recreational areas. Most of these improvements were financed with existing funds; only \$21,625,000 in general obligation debt was issued to finance these improvements and \$13,470,000 is still outstanding. During 2012 the City issued Refunding Bonds for a portion of this debt, resulting in a net present value savings to the City of approximately \$743,000.

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 attractiveness, 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

For the past 15 years the City has focused on an extensive Master Plan 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 a new fire station, 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, and the renovation of an approximately 300,000 square foot building purchased in 2008 into the City’s new Service Center, the Service Department moved into their new home in the summer of 2011.

In early 2014 the Mayor unveiled “Vision 2014 and Beyond” to address the future needs of the City due to general growth of the City and the development of the Chagrin Highlands area. While this plan is still currently in the discussion stage, it includes construction of a new Fire Station to replace the existing Fire Station No. 2, along with expansion of recreational facilities, and major renovations to our existing Police Department, or possibly even a new Police Headquarters.

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.

As an informal policy, the City attempts to maintain a General Fund balance of approximately 50 percent of general fund revenues.

Major initiatives

The City will continue working to finalize the projects and financing for the “Vision 2014 and Beyond” to meet the future needs of the City and its residents.

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 comprehensive annual financial report for the year ended December 31, 2013. This was the sixteenth consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). 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 comprehensive annual 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.

GFOA Outstanding Achievement in Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Beachwood for its Popular Annual Financial Report for the year ended December 31, 2013. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

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,



Merle S. Gorden
Mayor



David A. Pfaff, CPA
Director of Finance

City of Beachwood, Ohio

City Officials - as of December 31, 2014

ELECTED OFFICIALS

Mayor-Safety Director Merle S. Gorden

President of Council Fredric S. Goodman

Council Member Martin S. Horwitz

Council Member Alec Isaacson

Council Member Melvin M. Jacobs

Council Member Mark Mintz

Council Member James Pasch

Council Member Mark I. Wachter

APPOINTED OFFICIALS

Finance Director David A. Pfaff

Police Chief Keith Winebrenner

Fire Chief Patrick J. Kearns

Service Director Dale H. Pekarek

Building Commissioner..... William B. Griswold

Clerk of Courts Kelly L. Bowen

Community Service Director Karen A. Carmen

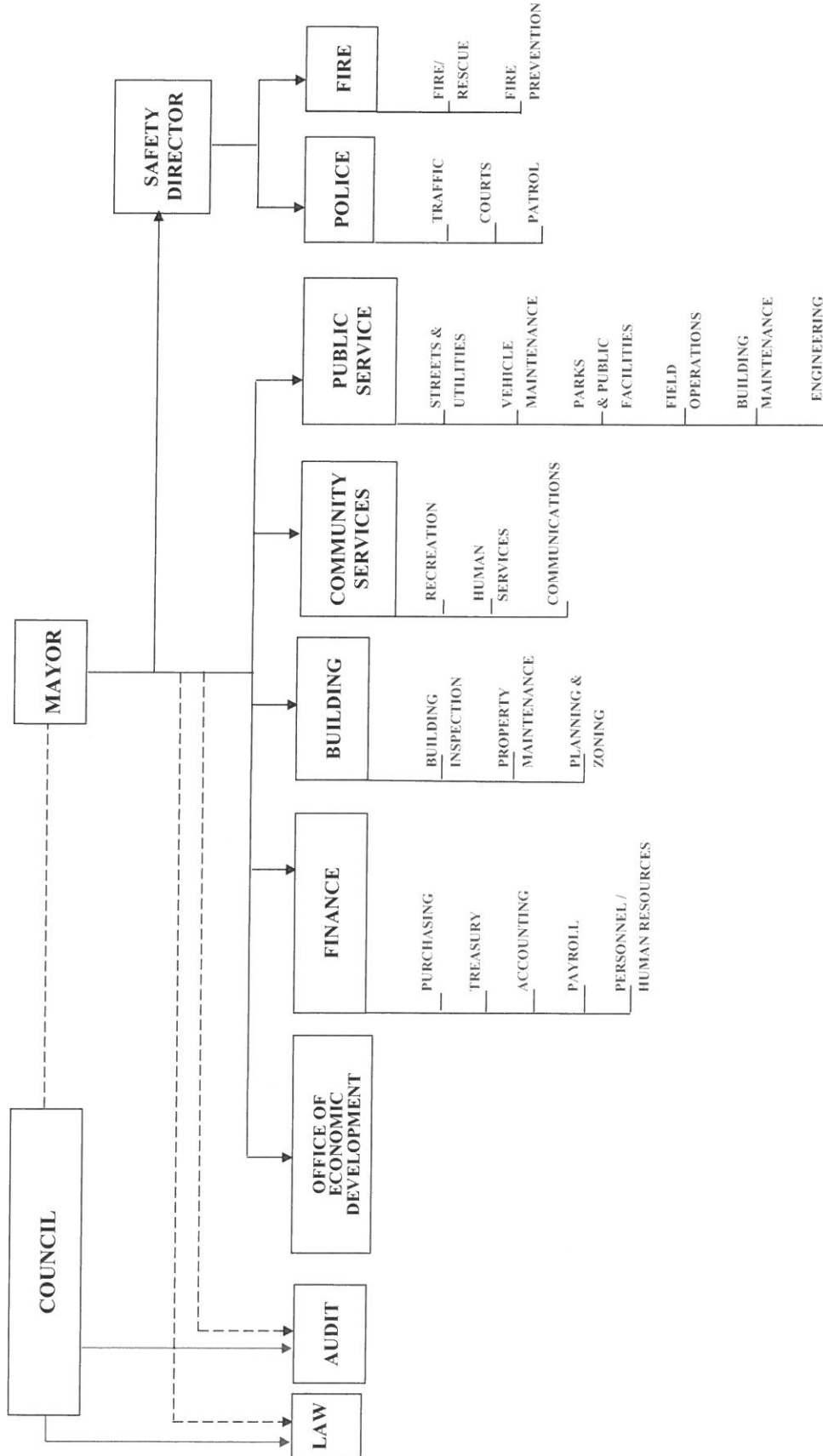
Law Director Brian Reali

City Auditor Harvey S. Rose

Clerk of Council Karen M. Navolanic

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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

City of Beachwood
Cuyahoga County
25325 Fairmount Boulevard
Beachwood, Ohio 44122

To the Members of City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio, as of December 31, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Dave Yost". The signature is fluid and cursive, with the first name "Dave" and last name "Yost" clearly distinguishable.

Dave Yost
Auditor of State
Columbus, Ohio

June 29, 2015

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City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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, 2014. 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 2014 are as follows:

- In 2014, the City issued \$5,200,000 in bond anticipation notes for the construction of Eaton Boulevard. These notes have been rolled over since 2010. The City will issued bonds for this project in 2015.
- Governmental activities revenues of \$42,101,002 exceeded expenses of \$40,887,611 consequently increasing net position by \$1,213,391.
- Estate tax revenue decreased by \$818,910. Estate taxes were eliminated effective January 1, 2013. We do not anticipate any more significant revenues from estate taxes.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City of Beachwood as a Whole

Statement of Net Position and the Statement of Activities

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

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

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

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 16, 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, bond retirement fund and capital improvements fund.

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

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

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

The City of Beachwood as a Whole

Statement of Net Position

As noted earlier, the Statement of Net Position looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2014 and 2013.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 1
Net Position

	Governmental Activities		
	2014	2013	Change
Assets			
Total Current and Other Assets	\$58,978,570	\$57,030,365	\$1,948,205
Nondepreciable Capital Assets	15,589,645	14,235,641	1,354,004
Depreciable Capital Assets, Net	73,648,832	77,083,289	(3,434,457)
Total Assets	148,217,047	148,349,295	(132,248)
Deferred Outflows of Resources	0	315,496	(315,496)
Liabilities			
Total Current and Other Liabilities	7,100,148	7,226,607	(126,459)
Long-Term Liabilities:			
Due Within One Year	2,774,095	2,740,122	33,973
Due Within More Than One Year	15,615,554	17,370,504	(1,754,950)
Total Liabilities	25,489,797	27,337,233	(1,847,436)
Deferred Inflows of Resources	2,730,016	2,543,715	186,301
Net Position			
Net Investment in Capital Assets	68,483,072	69,178,482	(695,410)
Restricted for:			
Debt Service	2,210,979	2,652,846	(441,867)
Capital Projects	5,200,000	5,200,000	0
Unclaimed Monies	32,474	29,928	2,546
Streets	774,632	1,080,753	(306,121)
Other Purposes	987,818	606,973	380,845
Unrestricted	42,308,259	40,034,861	2,273,398
Total Net Position	\$119,997,234	\$118,783,843	\$1,213,391

The largest portion of the City's net position (57.1 percent) reflects investments in capital assets (e.g. land, construction in progress, buildings, improvements, equipment, vehicles and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

The City's financial position increased from 2013 to 2014 as indicated by the increase in total net position for governmental activities of \$1,213,391.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Table 2 shows the changes in net position for 2014 and 2013 and corresponds to the Statement of Activities.

Table 2
Change in Net Position

	Governmental Activities		
	2014	2013	Change
Revenues			
Program Revenues			
Charges for Services	\$3,791,507	\$4,596,332	(\$804,825)
Operating Grants, Contributions and Interest	567,487	648,516	(81,029)
Capital Grants and Assessments	0	719,852	(719,852)
General Revenues			
Property Taxes	3,335,123	3,177,827	157,296
Municipal Income Tax	29,394,461	29,892,959	(498,498)
Admission, Lodging and Franchise Taxes	1,433,399	1,323,455	109,944
Estate Taxes	1,762,024	2,580,934	(818,910)
Grants and Entitlements	436,170	385,209	50,961
Investment Earnings	169,279	174,277	(4,998)
Health Care Reimbursements	573,207	530,652	42,555
Other	638,345	676,217	(37,872)
Total Revenues	42,101,002	44,706,230	(2,605,228)
Program Expenses			
General Government	6,123,993	4,950,386	1,173,607
Public Safety:			
Police	8,845,911	8,602,587	243,324
Fire	7,332,233	6,862,847	469,386
Public Services	13,373,133	12,271,829	1,101,304
Health and Welfare	576,967	513,481	63,486
Culture and Recreation	2,726,458	2,801,539	(75,081)
Building and Community Development	1,123,734	1,067,749	55,985
Interest and Fiscal Charges	785,182	823,376	(38,194)
Total Expenses	40,887,611	37,893,794	2,993,817
Change in Net Position	1,213,391	6,812,436	(5,599,045)
Net Position Beginning of Year	118,783,843	111,971,407	6,812,436
Net Position End of Year	\$119,997,234	\$118,783,843	\$1,213,391

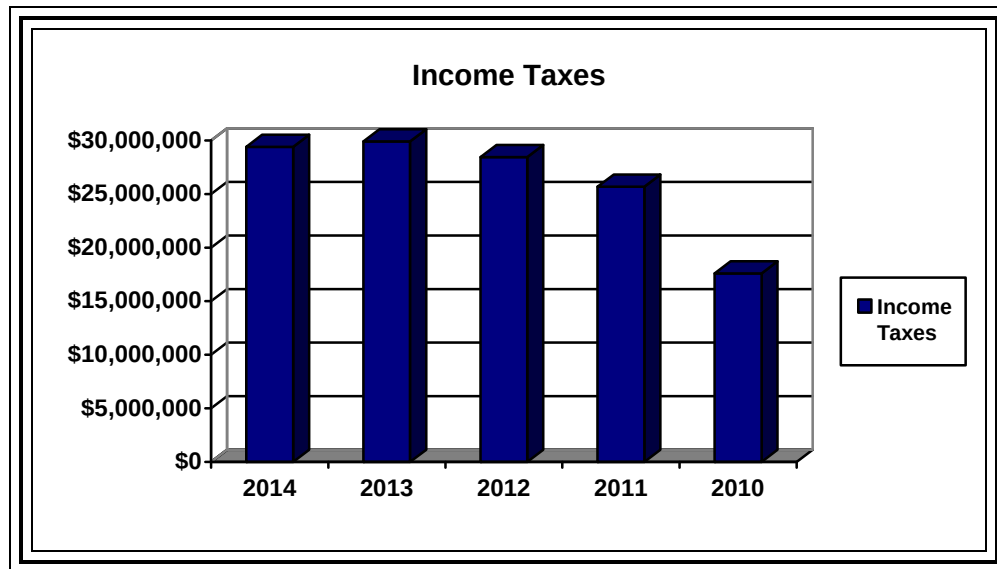
City of Beachwood, Ohio
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The decrease in revenues is due to a decrease in building permits and licenses, estate taxes and capital grants. Estate taxes were eliminated effective January 1, 2013. We do not anticipate any more significant revenues from estate taxes. The capital grant in 2013 was due to Jacobs Group paying for water and sewer lines on Harvard Road. This was a one-time payment. The increase in general government expenses is largely due to a payment for a job creation incentive grant and the restructuring of the law department. The increase in public service expenses is largely due to an increase in salaries and benefits (including a 27th pay and increases in overtime and leave payouts), salt and equipment.

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 \$29,394,461 in income tax collections or 69.8 percent of total 2014 revenue. Other significant sources of revenue include property taxes and estate taxes of which the City received \$3,335,123 and \$1,762,024 respectively in 2014.

In 2014, the City experienced a slight decrease in income taxes. The chart below identifies income tax receipts for the last five years.



City of Beachwood, Ohio
Management's Discussion and Analysis
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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 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
General Government	\$6,123,993	(\$6,076,860)	\$4,950,386	(\$4,887,149)
Public Safety				
Police	8,845,911	(7,950,166)	8,602,587	(8,054,328)
Fire	7,332,233	(6,359,451)	6,862,847	(5,955,351)
Public Services	13,373,133	(12,820,111)	12,271,829	(10,918,020)
Health and Welfare	576,967	(428,381)	513,481	(393,833)
Culture and Recreation	2,726,458	(1,849,326)	2,801,539	(1,925,115)
Building and				
Community Development	1,123,734	(259,140)	1,067,749	1,028,078
Interest and Fiscal Charges	785,182	(785,182)	823,376	(823,376)
Total	<u>\$40,887,611</u>	<u>(\$36,528,617)</u>	<u>\$37,893,794</u>	<u>(\$31,929,094)</u>

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services both increased in 2014.

Public safety expenses account for approximately 39.6 percent of total 2014 expenses. A significant portion of these expenses can be attributed to salaries, wages and employee benefits. Other significant expenses include public service expenses which make up approximately 32.7 percent of total expenses. The majority of public services expenses include salaries, benefits and infrastructure depreciation.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
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The City's Funds

Information about the City's major governmental funds begins on page 16. 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 balance at December 31, 2014 and 2013 was \$25,368,998 and \$31,563,489 respectively. The decrease is largely due to the decrease in building permit and estate tax revenue and an increase in salaries and benefits (wage increases and a 27th pay).

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 balance at December 31, 2014 and 2013 was \$438,574 and \$397,600 respectively. The bond retirement fund receives revenue through special assessments levied against various property owners. Additional monies are received from other financing sources such as the issuance of bonds and notes and transfers from the general fund.

The capital improvements fund is used to account for the flow of resources related to the construction, acquisition, and renovation of capital assets. This fund is funded with excess revenue from the general fund. The City strives to maintain a general fund balance which is 50 percent of general fund revenues. Any excess may be transferred to the capital improvements fund. The fund balance at December 31, 2014 and 2013 was \$13,336,728 and \$5,622,369 respectively. The increase is due to an increase in transfers from the general 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 and quarterly budget analysis reports.

For the general fund, final budgeted revenues were \$39,404,000; and actual revenue collections were \$40,015,483. Final budgeted appropriations (excluding transfers) were \$40,686,092 and actual expenditures (excluding transfers) were \$36,883,813. Appropriations are always conservatively budgeted on the high side. Additionally, several vacant positions budgeted for were not filled when budgeted which accounts for the difference between budgeted appropriations and actual expenditures.

Debt Administration and Capital Assets

Debt

Table 4 summarizes outstanding debt at December 31, 2014 compared to December 31, 2013.

The general obligation bonds will be paid out of the debt service fund with funds transferred from the general fund. The special assessment bonds will be paid from the proceeds of special assessments levied against benefited property owners. In 2014, the City refinanced \$5,200,000 in bond anticipation notes for the

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

construction of Eaton Boulevard. See Notes 12 and 16 to the basic financial statements for more information regarding the City's outstanding debt.

Table 4
Outstanding Debt at Year End

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$13,851,686	\$15,310,976
Special Assessment Bonds	1,635,000	2,020,000
General Obligation Notes	5,200,000	5,200,000
<i>Totals</i>	<u>\$20,686,686</u>	<u>\$22,530,976</u>

Capital Assets

Table 5 compares capital assets as of December 31, 2014 to balances at December 31, 2013.

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

	Governmental Activities	
	2014	2013
Land	\$14,235,641	\$14,235,641
Land Improvements	3,356,018	4,083,894
Buildings and Improvements	34,929,669	36,391,805
Furniture and Equipment	1,657,757	1,558,653
Vehicles	2,697,536	2,610,186
Construction in Progress	1,354,004	0
Infrastructure		
Streets	23,998,922	25,213,576
Water Lines	3,030,074	3,144,499
Sanitary Sewers	1,876,367	1,926,750
Storm Sewers	1,508,203	1,549,629
I-Net Fiber	95,238	97,264
Traffic Signals	499,048	507,033
<i>Totals</i>	<u>\$89,238,477</u>	<u>\$91,318,930</u>

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
Unaudited

Significant capital asset additions mainly include road improvements. In 2014, Annsley and Duffield Roads were reconstructed. The construction in progress is for several roads that are in process of being resurfaced. The resurfacing will be completed in 2015.

With regards to the City's infrastructure, the Service Director maintains a comprehensive listing of all streets, waterlines and sanitary and storm sewer lines. As part of the annual road maintenance program, the Service Director evaluates the condition of the streets and identifies which roads need to be repaired or replaced the following year. Over the last five years, the City has averaged \$3.4 million a year for the road maintenance program.

See Note 10 to the basic financial statements for additional information on the City's capital assets.

Current Financial Related Activities

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

Contacting the City's Finance Department

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David A. Pfaff, CPA, Finance Director at the City of Beachwood, 25325 Fairmount Boulevard, Beachwood, Ohio 44122, 216-292-1913, or email at david.pfaff@beachwoodohio.com.

City of Beachwood, Ohio*Statement of Net Position**December 31, 2014*

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$42,923,677
Cash and Cash Equivalents in Segregated Accounts	2,000
Accounts Receivable	133,627
Admission Taxes Receivable	25,497
Lodging Taxes Receivable	52,573
Franchise Taxes Receivable	30,061
Intergovernmental Receivable	371,939
Materials and Supplies Inventory	917,817
Prepaid Items	247,692
Property Taxes Receivable	5,558,115
Income Taxes Receivable	6,616,621
Special Assessments Receivable	2,098,951
Nondepreciable Capital Assets	15,589,645
Depreciable Capital Assets, Net	73,648,832
<i>Total Assets</i>	<u>148,217,047</u>
Liabilities	
Accounts Payable	340,702
Retainage Payable	162,269
Accrued Wages	768,213
Matured Compensated Absences	58,886
Intergovernmental Payable	439,869
Accrued Interest Payable	56,129
Contracts Payable	20,254
Claims Payable	53,826
Notes Payable	5,200,000
Long-Term Liabilities:	
Due Within One Year	2,774,095
Due In More Than One Year	15,615,554
<i>Total Liabilities</i>	<u>25,489,797</u>
Deferred Inflows of Resources	
Property Taxes	<u>2,730,016</u>
Net Position	
Net Investment in Capital Assets	68,483,072
Restricted for:	
Debt Service	2,210,979
Capital Projects	5,200,000
Unclaimed Monies	32,474
Streets	774,632
Other Purposes	987,818
Unrestricted	42,308,259
<i>Total Net Position</i>	<u><u>\$119,997,234</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants Contributions and Interest	Governmental Activities
Governmental Activities				
General Government	\$6,123,993	\$47,133	\$0	(\$6,076,860)
Public Safety:				
Police	8,845,911	881,280	14,465	(7,950,166)
Fire	7,332,233	972,782	0	(6,359,451)
Public Services	13,373,133	0	553,022	(12,820,111)
Health and Welfare	576,967	148,586	0	(428,381)
Culture and Recreation	2,726,458	877,132	0	(1,849,326)
Building and Community Development	1,123,734	864,594	0	(259,140)
Interest and Fiscal Charges	785,182	0	0	(785,182)
<i>Total Governmental Activities</i>	<u>\$40,887,611</u>	<u>\$3,791,507</u>	<u>\$567,487</u>	<u>(36,528,617)</u>
General Revenues				
Property Taxes Levied for				
General Purposes				3,081,419
Police Pension				253,704
Municipal Income Taxes Levied for				
General Purposes				29,394,461
Admission, Lodging and Franchise Taxes				1,433,399
Estate Taxes				1,762,024
Grants and Entitlements not Restricted to Specific Programs				436,170
Investment Earnings				169,279
Health Care Reimbursements				573,207
Other				638,345
<i>Total General Revenues</i>				<u>37,742,008</u>
Change in Net Position				1,213,391
<i>Net Position Beginning of Year</i>				<u>118,783,843</u>
<i>Net Position End of Year</i>				<u>\$119,997,234</u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio

Balance Sheet

Governmental Funds

December 31, 2014

	General	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$20,846,235	\$438,574	\$18,751,247	\$1,355,147	\$41,391,203
Cash and Cash Equivalents In Segregated Accounts	2,000	0	0	0	2,000
Property Taxes Receivable	5,141,257	0	0	416,858	5,558,115
Income Taxes Receivable	6,616,621	0	0	0	6,616,621
Admission Taxes Receivable	25,497	0	0	0	25,497
Lodging Taxes Receivable	52,573	0	0	0	52,573
Franchise Taxes Receivable	30,061	0	0	0	30,061
Accounts Receivable	133,627	0	0	0	133,627
Intergovernmental Receivable	156,656	0	0	215,283	371,939
Materials and Supplies Inventory	917,817	0	0	0	917,817
Prepaid Items	247,692	0	0	0	247,692
Special Assessments Receivable	0	1,900,706	198,245	0	2,098,951
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	32,474	0	0	0	32,474
Total Assets	\$34,202,510	\$2,339,280	\$18,949,492	\$1,987,288	\$57,478,570
Liabilities					
Accounts Payable	\$290,003	\$0	\$42,737	\$7,962	\$340,702
Retainage Payable	19,994	0	130,150	12,125	162,269
Accrued Wages	768,213	0	0	0	768,213
Matured Compensated Absences	58,886	0	0	0	58,886
Intergovernmental Payable	439,869	0	0	0	439,869
Contracts Payable	0	0	20,254	0	20,254
Accrued Interest Payable	0	0	21,378	0	21,378
Notes Payable	0	0	5,200,000	0	5,200,000
Total Liabilities	1,576,965	0	5,414,519	20,087	7,011,571
Deferred Inflows of Resources					
Property Taxes	2,525,265	0	0	204,751	2,730,016
Unavailable Revenue	4,731,282	1,900,706	198,245	353,502	7,183,735
Total Deferred Inflows of Resources	7,256,547	1,900,706	198,245	558,253	9,913,751
Fund Balances					
Nonspendable	1,197,983	0	0	0	1,197,983
Restricted	0	438,574	0	1,408,948	1,847,522
Committed	390,694	0	194,360	0	585,054
Assigned	1,266,580	0	13,142,368	0	14,408,948
Unassigned	22,513,741	0	0	0	22,513,741
Total Fund Balances	25,368,998	438,574	13,336,728	1,408,948	40,553,248
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$34,202,510	\$2,339,280	\$18,949,492	\$1,987,288	\$57,478,570

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, 2014*

Total Governmental Fund Balances	\$40,553,248
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***Amounts reported for governmental activities in the
statement of net position are different because***

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	89,238,477
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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	2,828,099
Intergovernmental	273,569
Special Assessments	2,098,951
Municipal Income Taxes	1,983,116
	7,183,735

Total	7,183,735
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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.

1,446,174

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

(34,751)

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

Special Assessment Bonds	(1,635,000)
General Obligation Bonds	(13,851,686)
Compensated Absences	(2,902,963)
	(18,389,649)

Total	(18,389,649)
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<i>Net Position of Governmental Activities</i>	<u><u>\$119,997,234</u></u>
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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, 2014

	General	Bond Retirement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$2,529,860	\$0	\$0	\$208,984	\$2,738,844
Municipal Income Taxes	29,169,007	0	0	0	29,169,007
Charges for Services	2,344,939	0	0	0	2,344,939
Fines, Licenses and Permits	1,121,932	0	0	315,028	1,436,960
Intergovernmental	439,989	0	0	564,979	1,004,968
Estate Taxes	1,812,554	0	0	0	1,812,554
Admission Taxes	337,476	0	0	0	337,476
Lodging Taxes	977,506	0	0	0	977,506
Franchise Taxes	118,417	0	0	0	118,417
Health Care Reimbursements	573,207	0	0	0	573,207
Special Assessments	0	501,237	20,360	9,608	531,205
Interest	167,104	0	0	5,182	172,286
Other	591,773	46,572	0	0	638,345
<i>Total Revenues</i>	<u>40,183,764</u>	<u>547,809</u>	<u>20,360</u>	<u>1,103,781</u>	<u>41,855,714</u>
Expenditures					
Current:					
General Government	5,006,771	0	0	2,097	5,008,868
Public Safety:					
Police	8,529,238	0	0	211,617	8,740,855
Fire	6,994,656	0	0	0	6,994,656
Public Services	9,984,810	0	0	859,564	10,844,374
Health and Welfare	624,272	0	0	0	624,272
Culture and Recreation	2,319,497	0	0	0	2,319,497
Building and					
Community Development	1,108,407	0	0	0	1,108,407
Capital Outlay	0	0	2,305,856	0	2,305,856
Debt Service:					
Principal Retirement	0	1,800,000	0	0	1,800,000
Interest and Fiscal Charges	0	465,439	52,145	0	517,584
<i>Total Expenditures</i>	<u>34,567,651</u>	<u>2,265,439</u>	<u>2,358,001</u>	<u>1,073,278</u>	<u>40,264,369</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,616,113</u>	<u>(1,717,630)</u>	<u>(2,337,641)</u>	<u>30,503</u>	<u>1,591,345</u>
Other Financing Sources (Uses)					
Transfers In	0	1,758,604	10,052,000	0	11,810,604
Transfers Out	(11,810,604)	0	0	0	(11,810,604)
<i>Total Other Financing Sources (Uses)</i>	<u>(11,810,604)</u>	<u>1,758,604</u>	<u>10,052,000</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>(6,194,491)</u>	<u>40,974</u>	<u>7,714,359</u>	<u>30,503</u>	<u>1,591,345</u>
<i>Fund Balances Beginning of Year</i>	<u>31,563,489</u>	<u>397,600</u>	<u>5,622,369</u>	<u>1,378,445</u>	<u>38,961,903</u>
<i>Fund Balances End of Year</i>	<u>\$25,368,998</u>	<u>\$438,574</u>	<u>\$13,336,728</u>	<u>\$1,408,948</u>	<u>\$40,553,248</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, 2014*

Net Change in Fund Balances - Total Governmental Funds

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

1,591,345

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

Capital Asset Additions		
Capital Outlays	3,892,956	
Current Year Depreciation	(5,441,563)	
Total		(1,548,607)

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. (531,846)

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

Delinquent Property Taxes	596,279	
Intergovernmental	(4,318)	
Special Assessments	(521,597)	
Estate Taxes	(50,530)	
Municipal Income Taxes	225,454	
Total		245,288

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,800,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(311,888)	
Amortization of Premium	44,290	
Total		(267,598)

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. (123,313)

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. 48,122

Change in Net Position of Governmental Activities \$1,213,391

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,585,000	\$2,585,000	\$2,529,860	(\$55,140)
Municipal Income Taxes	30,370,000	30,370,000	28,870,575	(1,499,425)
Charges for Services	2,175,000	2,175,000	2,314,547	139,547
Fines, Licenses and Permits	1,240,000	1,240,000	1,120,932	(119,068)
Intergovernmental	409,000	409,000	439,711	30,711
Estate Taxes	200,000	200,000	1,964,146	1,764,146
Admission Taxes	375,000	375,000	338,473	(36,527)
Lodging Taxes	810,000	810,000	973,137	163,137
Franchise Taxes	170,000	170,000	120,110	(49,890)
Health Care Reimbursements	600,000	600,000	573,207	(26,793)
Interest	156,000	156,000	170,157	14,157
Other	314,000	314,000	600,628	286,628
<i>Total Revenues</i>	<u>39,404,000</u>	<u>39,404,000</u>	<u>40,015,483</u>	<u>611,483</u>
Expenditures				
Current:				
General Government	7,132,658	7,154,957	5,495,402	1,659,555
Public Safety:				
Police	9,774,489	9,774,489	8,969,872	804,617
Fire	7,507,953	7,517,953	7,210,786	307,167
Public Services	10,654,347	11,414,347	10,919,963	494,384
Health and Welfare	707,254	710,254	643,971	66,283
Culture and Recreation	2,890,351	2,902,351	2,497,071	405,280
Building and Community Development	1,181,741	1,211,741	1,146,748	64,993
<i>Total Expenditures</i>	<u>39,848,793</u>	<u>40,686,092</u>	<u>36,883,813</u>	<u>3,802,279</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(444,793)</u>	<u>(1,282,092)</u>	<u>3,131,670</u>	<u>4,413,762</u>
Other Financing Uses				
Transfers Out	<u>(11,810,604)</u>	<u>(11,810,604)</u>	<u>(11,810,604)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(12,255,397)</u>	<u>(13,092,696)</u>	<u>(8,678,934)</u>	<u>4,413,762</u>
<i>Fund Balance Beginning of Year</i>	<u>25,166,774</u>	<u>25,166,774</u>	<u>25,166,774</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>2,335,093</u>	<u>2,335,093</u>	<u>2,335,093</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$15,246,470</u></u>	<u><u>\$14,409,171</u></u>	<u><u>\$18,822,933</u></u>	<u><u>\$4,413,762</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2014

	<u>Internal Service</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,500,000
Liabilities	
Claims Payable	<u>53,826</u>
Net Position	
Unrestricted	<u><u>\$1,446,174</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, 2014

	<u>Internal Service</u>
Operating Revenues	
Charges for Services	\$82,772
Operating Expenses	
Claims	<u>34,650</u>
<i>Change in Net Position</i>	48,122
<i>Net Position Beginning of Year</i>	<u>1,398,052</u>
<i>Net Position End of Year</i>	<u><u>\$1,446,174</u></u>

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2014

	<u>Internal Service</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$82,772
Cash Payments for Claims	<u>(82,772)</u>
<i>Incease in Cash and Cash Equivalents</i>	0
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,500,000</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,500,000</u></u>
Reconcilliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$48,122
Adjustments:	
Decrease in Claims Payable	<u>(48,122)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$0</u></u>
See accompanying notes to the basic financial statements	

City of Beachwood, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$1,168	\$1,688,862
Liabilities		
Undistributed Monies	0	\$209
Deposits Held and Due to Others	0	1,688,653
<i>Total Liabilities</i>	0	\$1,688,862
Net Position		
Held in Trust for Recreation	\$1,168	

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Changes in Fund Net Position
Private Purpose Trust Fund
For the Year Ended December 31, 2014

	<u>Private Purpose Trust</u>
Additions	
Interest	\$5
Deductions	<u>0</u>
<i>Change in Net Position</i>	5
<i>Net Position Beginning of Year</i>	<u>1,163</u>
<i>Net Position End of Year</i>	<u><u>\$1,168</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, 2014

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 participates in two jointly governed organizations, the Northeast Ohio Public Energy Council and the Heights Area Special Rescue Team. These organizations are described in Note 7 of 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.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

“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.

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

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's trust fund is a private purpose trust which accounts for donated monies to provide funds for the Beachwood Men's Softball League. The City's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds account for construction deposits, commercial permit taxes paid to the State, payments in lieu of property taxes for the Eaton TIF agreement, and withholdings tax collections that are due to the cities of Warrensville Heights and Cleveland.

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 funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net position. 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.

The private purpose trust fund is reported using the economic resources measurement focus.

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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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 represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, special assessments, municipal income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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".

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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 2014, investments were limited to U.S. treasury notes, federal farm credit bonds, federal home loan bank bonds, and STAR Ohio.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices or in the case of a mutual fund, the fund's current share price. Nonparticipating investment contracts such as non-negotiable certificate of deposits are reported at cost.

STAR 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on December 31, 2014.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2014 amounted to \$167,104, which includes \$80,263 assigned from other City funds.

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

G. Inventory

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

H. Restricted Assets

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

I. Bond Premium

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

J. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally 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 balance for vehicle purchases, legal services, utilities, pension and healthcare premiums.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

K. 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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

L. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees with 10 or more years of service or for employees age 50 or over regardless of years of service.

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

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

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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

N. Net Position

Net position represents the difference all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. 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 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 agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the personal services and other object level within each fund. For the personal service object level the Finance Director has been authorized to allocate and maintain appropriations within each department. For the other object level, the Finance Director with the approval of the Mayor, has been authorized to allocate appropriations within each department and any object level other than personal services. Budgetary statements are presented beyond that legal level of control for information purposes only.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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.

Note 3 - Receivables

Receivables at December 31, 2014, consisted primarily of municipal income taxes, property, admissions, lodging, and franchise taxes, accounts, special assessments, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. All receivables except property taxes 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 \$1,453,035 in the Bond Retirement Fund and \$171,593 in the Capital Improvement Fund. At December 31, 2014 the amount of delinquent special assessments was \$9,748.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes are levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and collected in 2015 real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$4.00 per 1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

Real Property	\$796,372,620
Public Utility Property	9,854,290
Total Valuation	<u>\$806,226,910</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, 2014 and for which there is an enforceable legal claim. In the

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

general and police pension funds, the portion of the receivable not levied to finance 2014 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 – unearned revenue.

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. Employers within the City are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (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. Taxes collected by RITA in one month are remitted to the City on the first and tenth business days of the following month. Income tax revenue is credited entirely to the general fund.

C. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

Gasoline Tax	\$274,360
Homestead and Rollback	<u>97,579</u>
Total	<u><u>\$371,939</u></u>

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Net Change in Fund Balance

GAAP Basis	(\$6,194,491)
Net Adjustments for Revenue Accruals	(163,590)
Beginning Fair Value Adjustment for Investments	34,700
Ending Fair Value Adjustment for Investments	(39,391)
Net Adjustments for Expenditure Accruals	(299,777)
Encumbrances	<u>(2,016,385)</u>
Budget Basis	<u><u>(\$8,678,934)</u></u>

Note 5 – Interfund Transfers

A transfer of \$1,758,604 and \$10,052,000 was made during calendar year 2014 from the general fund to the bond retirement and capital projects funds. The transfer to the bond retirement was to move money for the payment of general obligation bonds and notes and the transfer to the capital projects fund was to move money for capital projects.

Note 6 - Compensated Absences

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

City employees earn sick leave at the rate of 4.6 hours per pay period during which the employee is in active pay status, and do not accrue for additional overtime hours worked. Sick leave accrual is based on an 80 hour pay period; employees who do not record 80 hours of work, approved paid leave, or a combination thereof receive a sick leave accrual proportionate to the number of hours worked and approved paid leave hours recorded. Firefighters who are on a 103.4 hour pay period receive sick leave at a rate of 5.97 hours per pay period. Annually, any employee who has in excess of 1,500 sick leave hours will receive a lump sum cash payment of 33 1/3 percent of the hours in excess of 1,500 hours. Upon death or retirement, employees with accumulated service time of 20 years or more or who qualify for retirement, at date of termination, under the Public Employees Retirement System or the Ohio Police and Fire Pension Fund, are entitled to convert 50 percent 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 194 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 insuring 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
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For the Year Ended December 31, 2014

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 2014. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

B. Heights Area Special Rescue Team

The City is a member of the Heights Area Special Rescue Team (HASRT). HASRT is a council of Governments, with a governing body comprised of the five Fire Chiefs of the member cities. The governing body exercises total control over the operations of the HASRT including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the governing body. HASRT was established to provide mutual aid for the provision of emergency fire protection and rescue squad services and to organize, train and equip a special rescue team to conduct rescue activities requiring unusual training and/or equipment in participating communities. Annual member receipts are based on an agreed formula based on the member cities population. During 2014, the City contributed \$6,090 to HASRT. Financial information can be obtained by contacting Heights Area Special Rescue Team, 3400 Lee Road, Shaker Heights, Ohio, 44120.

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.

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, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
 4. Bonds and other obligations of the State of Ohio;
 5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
 6. The State Treasurer's investment pool (STAROhio); and
 7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if trading 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.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in possession of an outside party. At year end, \$5,804,432 of the City's bank balance of \$6,805,795 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the City or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Investments

Investments are reported at fair value. As of December 31, 2014, the City had the following investments:

	Fair Value	Maturity		
		Less Than 6 Months	6-12 Months	1-5 Years
U.S. Treasury Notes	\$36,006,951	\$4,001,953	\$6,003,281	\$26,001,717
Federal Farm Credit Bonds	999,013	0	0	999,013
Federal Home Loan Bank Bonds	999,787	999,787	0	0
STAR Ohio	1,949	1,949	0	0
Total Investments	<u>\$38,007,700</u>	<u>\$5,003,689</u>	<u>\$6,003,281</u>	<u>\$27,000,730</u>

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

Credit Risk STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The federal farm credit bonds and the federal home loan bank bonds rated Aaa by Moody's Investors Service. The City has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The City places no limit on the amount it may invest in any one issuer. The City's investments in U.S. Treasury Notes, federal home loan bank bonds, and federal farm credit bonds represent 94.7, 2.6, and 2.6 percent of the City's total investments respectively.

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, 2014.

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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 10 – Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
<i>Capital Assets, not being depreciated</i>				
Land	\$14,235,641	\$0	\$0	\$14,235,641
Construction in Progress	0	1,354,004	0	1,354,004
<i>Total Capital Assets, not being depreciated</i>	14,235,641	1,354,004	0	15,589,645
<i>Capital Assets, being depreciated</i>				
Land Improvements	7,737,395	84,998	0	7,822,393
Buildings and Improvements	46,566,860	8,677	(645,103)	45,930,434
Furniture and Equipment	5,684,537	364,982	(133,457)	5,916,062
Vehicles	8,413,838	700,539	(116,507)	8,997,870
Infrastructure				
Streets	62,465,059	1,379,756	(267,806)	63,577,009
Water Lines	4,580,453	0	0	4,580,453
Sanitary Sewers	2,519,136	0	0	2,519,136
Storm Sewers	2,071,321	0	0	2,071,321
I-Net Fiber	101,316	0	0	101,316
Traffic Signals	519,010	0	0	519,010
<i>Total Capital Assets, being depreciated</i>	\$140,658,925	\$2,538,952	(\$1,162,873)	\$142,035,004

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Governmental Activities				
Less Accumulated Depreciation				
Land Improvements	(\$3,653,501)	(\$812,874)	\$0	(4,466,375)
Buildings and Improvements	(10,175,055)	(942,904)	117,194	(11,000,765)
Furniture and Equipment	(4,125,884)	(262,583)	130,162	(4,258,305)
Vehicles	(5,803,652)	(612,547)	115,865	(6,300,334)
Infrastructure				
Streets	(37,251,483)	(2,594,410)	267,806	(39,578,087)
Water Lines	(1,435,954)	(114,425)	0	(1,550,379)
Sanitary Sewers	(592,386)	(50,383)	0	(642,769)
Storm Sewers	(521,692)	(41,426)	0	(563,118)
I-Net Fiber	(4,052)	(2,026)	0	(6,078)
Traffic Signals	(11,977)	(7,985)	0	(19,962)
<i>Total Accumulated Depreciation</i>	<u>(63,575,636)</u>	<u>(5,441,563) *</u>	<u>631,027</u>	<u>(68,386,172)</u>
<i>Total Capital Assets being depreciated, Net</i>	<u>77,083,289</u>	<u>(2,902,611)</u>	<u>(531,846)</u>	<u>73,648,832</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$91,318,930</u></u>	<u><u>(\$1,548,607)</u></u>	<u><u>(\$531,846)</u></u>	<u><u>\$89,238,477</u></u>

* Depreciation expense was charged to governmental activities as follows:

General Government	\$575,216
Public Safety:	
Police	219,437
Fire	405,706
Public Services	3,812,690
Health and Welfare	6,621
Culture and Recreation	406,961
Building and Community Development	14,932
Total Depreciation Expense	<u><u>\$5,441,563</u></u>

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 11 – 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:

<u>Fund Balances</u>	<u>General</u>	<u>Bond Retirement</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Activities</u>
Nonspendable:					
Prepays	\$247,692	\$0	\$0	\$0	\$247,692
Inventory	917,817	0	0	0	917,817
Unclaimed Funds	32,474	0	0	0	32,474
<i>Total Nonspendable</i>	<u>1,197,983</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,197,983</u>
Restricted for:					
Street Maintenance	0	0	0	640,551	640,551
Mayor's Court					
Computers	0	0	0	37,714	37,714
Drug and Alcohol Enforcement	0	0	0	580,111	580,111
Police Pension	0	0	0	43,331	43,331
Street Lighting	0	0	0	107,241	107,241
Bond Retirement	0	438,574	0	0	438,574
<i>Total Restricted</i>	<u>0</u>	<u>438,574</u>	<u>0</u>	<u>1,408,948</u>	<u>1,847,522</u>
Committed to:					
Capital Improvement	0	0	194,360	0	194,360
Purchases on Order for:					
General Government Services	57,980	0	0	0	57,980
Police	8,066	0	0	0	8,066
Service	298,216	0	0	0	298,216
Human Services	4,612	0	0	0	4,612
Recreation	21,820	0	0	0	21,820
<i>Total Committed</i>	<u>390,694</u>	<u>0</u>	<u>194,360</u>	<u>0</u>	<u>585,054</u>
Assigned to:					
Capital Improvement	0	0	13,142,368	0	13,142,368
Vehicle purchases	159,962	0	0	0	159,962
Legal Services	129,216	0	0	0	129,216
Utilities	137,973	0	0	0	137,973
Pension	234,182	0	0	0	234,182
Health Care Premiums	242,498	0	0	0	242,498
Purchases on Order	362,749	0	0	0	362,749
<i>Total Assigned</i>	<u>1,266,580</u>	<u>0</u>	<u>13,142,368</u>	<u>0</u>	<u>14,408,948</u>
Unassigned	<u>22,513,741</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,513,741</u>
Total Fund Balances	<u>\$25,368,998</u>	<u>\$438,574</u>	<u>\$13,336,728</u>	<u>\$1,408,948</u>	<u>\$40,553,248</u>

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 12 – Note Debt

The City's note activity, including amounts outstanding and interest rates, is as follows:

	Balance at 12/31/13	Additions	Reductions	Balance at 12/31/14
2013 1.00%				
Eaton Boulevard Construction Note	\$5,200,000	\$0	\$5,200,000	\$0
2014 1.00%				
Eaton Boulevard Construction Note	0	5,200,000	0	5,200,000
Total Notes Payable	<u>\$5,200,000</u>	<u>\$5,200,000</u>	<u>\$5,200,000</u>	<u>\$5,200,000</u>

The notes are backed by the full faith and credit of the City of Beachwood and mature within one year. The note liability is reflected in the fund which received the proceeds.

In 2014 the City issued \$5,200,000 in bond anticipation notes for the construction of Eaton Boulevard. These notes mature on August 5, 2015.

Note 13 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The City's 2014 contribution rate was 14 percent. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$1,086,236, \$1,131,012 and \$851,210 respectively. For 2014, 95.3 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$2,037 made by the City and \$1,455 made by plan members.

B. Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at 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 - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree health care benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$692,587 and \$856,039 for the year ended December 31, 2014, \$584,403 and \$714,672 for the year ended December 31, 2013, and \$470,159 and \$613,279 for the year ended December 31, 2012. For 2014, 95 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 14 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll. This is the maximum employer contribution rate permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The City's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$181,039, \$87,001, and \$340,484, respectively. For 2014, 95 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

B. Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides health care benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

OPF 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 OPF website at 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 OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2014, the employer contribution allocated to the health care plan was .5 percent of covered payroll. The amount of employer contribution allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF 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 contribution to OPF which was allocated to fund postemployment health care benefits for police and firefighters was \$246,051 and \$18,214 for the year ended December 31, 2014, \$246,837 and \$123,972 for the year ended December 31, 2013, and \$248,908 and \$239,979 for the year ended December 31, 2012. For 2014, 95 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 15 - Risk Management

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 2014, the City contracted with Travelers Property Casualty Company for various types of insurance as follows:

Type	Coverage
Employee Dishonesty	\$100,000
Law Enforcement Liability	1,000,000
Automobile - Comprehensive	1,000,000
Blanket Coverage - All Property	96,684,535
General Liability	1,000,000
Public Officials	1,000,000
Commercial Excess	10,000,000

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.

The City is self-insured for worker's compensation coverage. The City is accounting for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). For 2014, Sedgwick Claims Management Services was 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 \$53,826 reported in the fund as December 31, 2014, 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 2013 and 2014 were:

	Beginning of Year	Claims	Payments	End of Year
2013	\$25,275	\$178,324	\$101,651	\$101,948
2014	101,948	34,650	82,772	\$53,826

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Note 16 - Long-Term Obligations

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

	Outstanding 12/31/2013	Additions	(Reductions)	Outstanding 12/31/2014	Amounts Due In One Year
Special Assessment Bonds with Governmental Commitment					
\$610,000 1994 6.750%					
Various Projects	\$95,000	\$0	(\$45,000)	\$50,000	\$50,000
\$555,000 2000 5.400%					
Street and Sewer Improvements	275,000	0	(35,000)	240,000	35,000
\$2,330,000 2010 1.500% - 3.750%					
Various Improvements Bond Refunding	1,650,000	0	(305,000)	1,345,000	315,000
<i>Total Special Assessments Bonds</i>	<u>2,020,000</u>	<u>0</u>	<u>(385,000)</u>	<u>1,635,000</u>	<u>400,000</u>
General Obligation Bonds					
\$6,250,000 2012 1.500% - 3.750%					
Refunding Bonds	6,050,000	0	(100,000)	5,950,000	520,000
Premium on Refunding Bonds	261,889	0	(24,174)	237,715	0
Total Refunding Bonds	<u>6,311,889</u>	<u>0</u>	<u>(124,174)</u>	<u>6,187,715</u>	<u>520,000</u>
\$4,840,000 2010 1.500% - 3.750%					
Refunding Bonds	2,205,000	0	(230,000)	1,975,000	235,000
Premium on Refunding Bonds	58,720	0	(8,299)	50,421	0
Total Refunding Bonds	<u>2,263,720</u>	<u>0</u>	<u>(238,299)</u>	<u>2,025,421</u>	<u>235,000</u>
\$7,970,000 2010 1.500% - 3.750%					
Service Center Serial Bonds	6,170,000	0	(625,000)	5,545,000	630,000
Premium on Service Center Bonds	105,367	0	(11,817)	93,550	0
Total Service Center Bonds	<u>6,275,367</u>	<u>0</u>	<u>(636,817)</u>	<u>5,638,550</u>	<u>630,000</u>
\$9,805,000 2004 4.600%					
City Hall Serial Bonds	460,000	0	(460,000)	0	0
<i>Total General Obligation Bonds</i>	<u>15,310,976</u>	<u>0</u>	<u>(1,459,290)</u>	<u>13,851,686</u>	<u>1,385,000</u>
Compensated Absences	2,779,650	269,744	(146,431)	2,902,963	989,095
<i>Total General Long-term Obligations</i>	<u>\$20,110,626</u>	<u>\$269,744</u>	<u>(\$1,990,721)</u>	<u>\$18,389,649</u>	<u>\$2,774,095</u>

General obligation bonds will be paid from the bond retirement fund from transfers from the general fund. The special assessment bonds are backed by the full faith and credit of the City and will be paid from the proceeds of special assessments levied against benefited property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the City. The compensated absences liability will be paid from the general fund.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

In 2010, the City issued \$12,810,000 in general obligation bonds for the purpose of purchasing and renovating the new Service Center and to refund a portion of various special assessment and general obligation issues in order to take advantage of lower interest rates. The bonds were sold at a premium of \$84,309. Proceeds of \$4,871,983 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$4,555,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

In 2012, the City issued \$6,250,000 in general obligation bonds for the purpose of refunding a portion of general obligation issues in order to take advantage of lower interest rates. The bonds were sold at a premium of \$290,092. Proceeds of \$6,427,284 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various bonds. As a result, \$5,770,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the City's financial statements.

The City's legal debt margin was \$66,422,400 at December 31, 2014. Principal and interest requirements to retire outstanding general obligation and special assessment bonds at December 31, 2014, are as follows:

Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2015	\$1,385,000	\$362,581	\$400,000	\$54,435
2016	1,430,000	336,400	255,000	42,476
2017	1,460,000	300,175	175,000	35,636
2018	1,500,000	259,787	180,000	29,933
2019	1,540,000	222,775	185,000	23,922
2020-2024	6,155,000	439,425	440,000	30,380
Total	<u>\$13,470,000</u>	<u>\$1,921,143</u>	<u>\$1,635,000</u>	<u>\$216,782</u>

Note 17 – Significant Commitments

Encumbrances

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

Fund	Encumbrances at 12/31/2014
General	\$2,016,385
Capital Improvement	642,872
Other Governmental Funds	89,004
Total	<u>\$2,748,261</u>

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Contractual Commitments

At December 31, 2014, the various projects within the City had contractual commitments consisting of the following:

Project	Contract Amount	Amount Paid	Remaining on Contract
2014 Asphalt Paving Project	\$1,333,557	\$1,171,354	\$162,203
2014 Sewer Repairs	150,000	139,084	10,916
Land Surveying for Fiber Project	75,000	50,186	24,814
Fire Station #1 Repairs	56,742	51,068	5,674
Total	<u>\$1,615,299</u>	<u>\$1,411,692</u>	<u>\$203,607</u>

The amounts remaining on these contracts were encumbered at year end.

Combining and Individual Fund Statements and Schedules

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.

City of Beachwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust
Assets				
Equity in Pooled Cash and Cash Equivalents	\$453,852	\$131,719	\$37,714	\$580,111
Property Taxes Receivable	0	0	0	0
Intergovernmental Receivable	192,341	15,628	0	0
<i>Total Assets</i>	<u>\$646,193</u>	<u>\$147,347</u>	<u>\$37,714</u>	<u>\$580,111</u>
Liabilities				
Accounts Payable	\$6,783	\$0	\$0	\$0
Retainage Payable	12,125	0	0	0
<i>Total Liabilities</i>	<u>18,908</u>	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources				
Property Taxes	0	0	0	0
Unavailable Revenue	123,995	10,086	0	0
<i>Total Deferred Inflows of Resources</i>	<u>123,995</u>	<u>10,086</u>	<u>0</u>	<u>0</u>
Fund Balances				
Restricted	<u>503,290</u>	<u>137,261</u>	<u>37,714</u>	<u>580,111</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$646,193</u>	<u>\$147,347</u>	<u>\$37,714</u>	<u>\$580,111</u>

Police Pension	Street Lights	Total Nonmajor Governmental Funds
\$43,331	\$108,420	\$1,355,147
416,858	0	416,858
7,314	0	215,283
<u>\$467,503</u>	<u>\$108,420</u>	<u>\$1,987,288</u>
\$0	\$1,179	\$7,962
0	0	12,125
0	1,179	20,087
204,751	0	204,751
219,421	0	353,502
424,172	0	558,253
43,331	107,241	1,408,948
<u>\$467,503</u>	<u>\$108,420</u>	<u>\$1,987,288</u>

City of Beachwood, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Street Construction, Maintenance and Repair	State Highway	Mayor's Court Improvement	Law Enforcement Trust
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Fines, Licenses and Permits	0	0	12,542	302,486
Intergovernmental	509,078	41,276	0	0
Special Assessments	0	0	0	0
Interest	3,007	421	0	1,754
<i>Total Revenues</i>	<u>512,085</u>	<u>41,697</u>	<u>12,542</u>	<u>304,240</u>
Expenditures				
Current:				
General Government	0	0	2,097	0
Public Safety:				
Police	0	0	0	0
Public Services	859,564	0	0	0
<i>Total Expenditures</i>	<u>859,564</u>	<u>0</u>	<u>2,097</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(347,479)	41,697	10,445	304,240
<i>Fund Balances Beginning of Year</i>	<u>850,769</u>	<u>95,564</u>	<u>27,269</u>	<u>275,871</u>
<i>Fund Balances End of Year</i>	<u><u>\$503,290</u></u>	<u><u>\$137,261</u></u>	<u><u>\$37,714</u></u>	<u><u>\$580,111</u></u>

Police Pension	Street Lights	Total Nonmajor Governmental Funds
\$208,984	\$0	\$208,984
0	0	315,028
14,625	0	564,979
0	9,608	9,608
0	0	5,182
223,609	9,608	1,103,781
0	0	2,097
197,374	14,243	211,617
0	0	859,564
197,374	14,243	1,073,278
26,235	(4,635)	30,503
17,096	111,876	1,378,445
\$43,331	\$107,241	\$1,408,948

Combining Statement - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is the Leo Weiss Private Purpose Trust fund. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Private Purpose Trust Fund

Leo Weiss Trust Fund – This fund accounts for monies given to the City by the family of former City Councilman Leo Weiss. The interest earned on the donated monies is to provide funds for the annual Leo Weiss Good Sportsmanship award for the Beachwood Men's Softball League.

Agency Funds

Commercial Permits Tax Fund – This fund accounts for monies collected by the City in accordance with State Law and is remitted back to the State of Ohio.

Special Trust and Agency Fund – This fund is used to account for the receipt and disbursement of withholdings tax collections of businesses in the Chagrin Highlands development area. These taxes are distributed to the cities of Warrensville Heights and Cleveland.

Deposits Fund – This fund accounts for monies from planning, zoning, and street repairs put on deposit with the City in accordance with various City ordinances.

Eaton Tax Increment Financing Fund – This fund accounts for the receipt and disbursement of monies related to the Eaton tax increment financing agreement.

City of Beachwood, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Beginning Balance 12/31/13	Additions	Deductions	Ending Balance 12/31/14
Commercial Permits Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$875	\$19,380	\$20,046	\$209
Liabilities				
Undistributed Monies	\$875	\$19,380	\$20,046	\$209
Special Trust and Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$6,987,559	\$6,987,559	\$0
Liabilities				
Deposits Held and Due to Others	\$0	\$6,987,559	\$6,987,559	\$0
Deposits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$407,713	\$230,740	\$302,982	\$335,471
Liabilities				
Deposits Held and Due to Others	\$407,713	\$230,740	\$302,982	\$335,471
Eaton Tax Increment Financing				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$104,495	\$4,754,680	\$3,505,993	\$1,353,182
Liabilities				
Deposits Held and Due to Others	\$104,495	\$4,754,680	\$3,505,993	\$1,353,182
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$513,083	\$11,992,359	\$10,816,580	\$1,688,862
Liabilities				
Undistributed Monies	\$875	\$19,380	\$20,046	\$209
Deposits Held and Due to Others	512,208	11,972,979	10,796,534	1,688,653
<i>Total Liabilities</i>	\$513,083	\$11,992,359	\$10,816,580	\$1,688,862

**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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,585,000	\$2,585,000	\$2,529,860	(\$55,140)
Municipal Income Taxes	30,370,000	30,370,000	28,870,575	(1,499,425)
Charges for Services	2,175,000	2,175,000	2,314,547	139,547
Fines, Licenses and Permits	1,240,000	1,240,000	1,120,932	(119,068)
Intergovernmental	409,000	409,000	439,711	30,711
Estate Taxes	200,000	200,000	1,964,146	1,764,146
Admission Taxes	375,000	375,000	338,473	(36,527)
Lodging Taxes	810,000	810,000	973,137	163,137
Franchise Taxes	170,000	170,000	120,110	(49,890)
Health Care Reimbursements	600,000	600,000	573,207	(26,793)
Interest	156,000	156,000	170,157	14,157
Other	314,000	314,000	600,628	286,628
Total Revenues	39,404,000	39,404,000	40,015,483	611,483
Expenditures				
Current:				
General Government:				
Council:				
Personal Services	102,589	106,889	106,455	434
Contractual Services	12,300	12,300	100	12,200
Materials and Supplies	1,720	3,720	2,891	829
Capital Outlay	2,000	0	0	0
Other	71,048	71,048	60,893	10,155
Total Council	189,657	193,957	170,339	23,618
Mayor:				
Personal Services	528,447	538,447	523,069	15,378
Contractual Services	97,821	97,821	87,961	9,860
Materials and Supplies	16,987	16,987	9,157	7,830
Capital Outlay	7,000	7,000	0	7,000
Other	23,006	23,006	10,291	12,715
Total Mayor	673,261	683,261	630,478	52,783
Economic Development:				
Personal Services	246,761	249,761	244,021	5,740
Contractual Services	173,397	211,397	199,231	12,166
Materials and Supplies	11,556	11,556	1,904	9,652
Capital Outlay	29,000	29,000	0	29,000
Other	1,596,953	1,558,953	519,831	1,039,122
Total Economic Development	\$2,057,667	\$2,060,667	\$964,987	\$1,095,680

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Finance Director:				
Personal Services	\$1,300,106	\$1,300,106	\$1,241,309	\$58,797
Contractual Services	978,562	978,562	858,708	119,854
Materials and Supplies	38,053	38,053	25,891	12,162
Capital Outlay	184,871	183,971	104,348	79,623
Other	608,158	609,057	532,839	76,218
Total Finance Director	3,109,750	3,109,749	2,763,095	346,654
Law Department:				
Personal Services	282,637	460,337	453,826	6,511
Contractual Services	774,508	601,808	472,451	129,357
Materials and Supplies	12,165	12,165	11,941	224
Capital Outlay	4,000	4,000	2,375	1,625
Other	29,013	29,013	25,910	3,103
Total Law Department	1,102,323	1,107,323	966,503	140,820
Total General Government	7,132,658	7,154,957	5,495,402	1,659,555
Public Safety:				
Police Department:				
Personal Services	8,371,900	8,371,900	7,861,316	510,584
Contractual Services	531,776	539,676	468,259	71,417
Materials and Supplies	133,972	133,972	108,388	25,584
Capital Outlay	631,880	615,880	433,344	182,536
Other	104,961	113,061	98,565	14,496
Total Police Department	9,774,489	9,774,489	8,969,872	804,617
Fire Department:				
Personal Services	6,638,153	6,648,153	6,594,992	53,161
Contractual Services	378,839	378,839	261,434	117,405
Materials and Supplies	137,717	137,717	88,378	49,339
Capital Outlay	247,869	247,869	172,217	75,652
Other	105,375	105,375	93,765	11,610
Total Fire Department	7,507,953	7,517,953	7,210,786	307,167
Total Public Safety	17,282,442	17,292,442	16,180,658	1,111,784
Public Services:				
Service Department:				
Personal Services	5,864,314	6,174,314	5,987,396	186,918
Contractual Services	1,879,749	1,693,749	1,502,905	190,844
Materials and Supplies	2,088,056	2,653,456	2,542,424	111,032
Capital Outlay	785,737	846,237	843,230	3,007
Other	36,491	46,591	44,008	2,583
Total Public Services	\$10,654,347	\$11,414,347	\$10,919,963	\$494,384

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Health and Welfare:				
Human Services Department:				
Personal Services	\$391,170	\$394,170	\$375,312	\$18,858
Contractual Services	176,006	176,006	147,194	28,812
Materials and Supplies	50,387	50,387	46,581	3,806
Capital Outlay	57,500	57,500	53,926	3,574
Other	32,191	32,191	20,958	11,233
Total Health and Welfare	707,254	710,254	643,971	66,283
Culture and Recreation				
Recreation Administration:				
Personal Services	819,815	831,815	794,590	37,225
Contractual Services	392,695	392,695	364,784	27,911
Materials and Supplies	53,465	53,465	46,912	6,553
Capital Outlay	5,000	5,000	3,516	1,484
Other	24,095	24,095	23,055	1,040
Total Recreation Administration	1,295,070	1,307,070	1,232,857	74,213
Recreation Camps:				
Personal Services	312,700	312,700	293,596	19,104
Contractual Services	149,520	144,520	95,212	49,308
Materials and Supplies	32,790	37,790	33,686	4,104
Other	2,765	2,765	2,762	3
Total Recreation Camps	497,775	497,775	425,256	72,519
Recreation Sports Programs:				
Personal Services	28,900	28,900	22,024	6,876
Contractual Services	104,448	103,848	60,606	43,242
Materials and Supplies	24,726	24,726	17,099	7,627
Capital Outlay	3,000	3,000	0	3,000
Other	3,266	3,866	3,376	490
Total Recreation Sports Programs	164,340	164,340	103,105	61,235
Recreation Other Programs:				
Personal Services	153,152	153,152	133,827	19,325
Contractual Services	98,642	98,642	86,581	12,061
Materials and Supplies	7,423	7,423	6,046	1,377
Other	7,250	7,250	4,569	2,681
Total Recreation Other Programs	\$266,467	\$266,467	\$231,023	\$35,444

(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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Recreation Parks/Swimming Pools:				
Personal Services	\$301,200	\$221,200	\$216,711	\$4,489
Contractual Services	258,826	258,826	161,383	97,443
Materials and Supplies	83,500	83,500	57,617	25,883
Capital Outlay	20,000	100,000	67,170	32,830
Other	3,173	3,173	1,949	1,224
Total Recreation Parks/Swimming Pools	666,699	666,699	504,830	161,869
Total Culture and Recreation	2,890,351	2,902,351	2,497,071	405,280
Building and Community Development:				
Building Development:				
Personal Services	1,066,364	1,096,364	1,069,528	26,836
Contractual Services	60,021	63,521	44,597	18,924
Materials and Supplies	26,476	24,476	14,361	10,115
Capital Outlay	7,000	6,600	5,447	1,153
Other	21,880	20,780	12,815	7,965
Total Building and Community Development	1,181,741	1,211,741	1,146,748	64,993
Total Expenditures	39,848,793	40,686,092	36,883,813	3,802,279
Excess of Revenues Over (Under) Expenditures	(444,793)	(1,282,092)	3,131,670	4,413,762
Other Financing Uses				
Transfers Out	(11,810,604)	(11,810,604)	(11,810,604)	0
Net Change in Fund Balance	(12,255,397)	(13,092,696)	(8,678,934)	4,413,762
Fund Balance Beginning of Year	25,166,774	25,166,774	25,166,774	0
Prior Year Encumbrances Appropriated	2,335,093	2,335,093	2,335,093	0
Fund Balance End of Year	\$15,246,470	\$14,409,171	\$18,822,933	\$4,413,762

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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$400,000	\$506,053	\$106,053
Other	0	41,756	41,756
<i>Total Revenues</i>	<u>400,000</u>	<u>547,809</u>	<u>147,809</u>
Expenditures			
Debt Service:			
Principal Retirement	7,000,000	7,000,000	0
Interest and Fiscal Charges	575,000	517,439	57,561
<i>Total Expenditures</i>	<u>7,575,000</u>	<u>7,517,439</u>	<u>57,561</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(7,175,000)</u>	<u>(6,969,630)</u>	<u>205,370</u>
Other Financing Sources			
General Obligation Notes Issued	5,200,000	5,200,000	0
Transfers In	1,800,000	1,810,604	10,604
<i>Total Other Financing Source</i>	<u>7,000,000</u>	<u>7,010,604</u>	<u>10,604</u>
<i>Net Change in Fund Balance</i>	<u>(175,000)</u>	<u>40,974</u>	<u>215,974</u>
<i>Fund Balance Beginning of Year</i>	<u>397,600</u>	<u>397,600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$222,600</u></u>	<u><u>\$438,574</u></u>	<u><u>\$215,974</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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$0	\$20,360	\$20,360
Expenditures			
Capital Outlay:			
Contractual Services	627,943	625,775	2,168
Capital Outlay	3,543,113	2,226,845	1,316,268
<i>Total Expenditures</i>	<u>4,171,056</u>	<u>2,852,620</u>	<u>1,318,436</u>
<i>Excess of Revenues Under Expenditures</i>	(4,171,056)	(2,832,260)	1,338,796
Other Financing Sources			
Transfers In	<u>10,000,000</u>	<u>10,000,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	5,828,944	7,167,740	1,338,796
<i>Fund Balance Beginning of Year</i>	10,769,578	10,769,578	0
Prior Year Encumbrances Appropriated	<u>171,056</u>	<u>171,056</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,769,578</u></u>	<u><u>\$18,108,374</u></u>	<u><u>\$1,338,796</u></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, 2014*

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Intergovernmental	\$472,000	\$501,320	\$29,320
Interest	3,000	3,007	7
<i>Total Revenues</i>	<u>475,000</u>	<u>504,327</u>	<u>29,327</u>
Expenditures			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Contractual Services	124,721	122,021	2,700
Capital Outlay	926,000	807,653	118,347
<i>Total Expenditures</i>	<u>1,050,721</u>	<u>929,674</u>	<u>121,047</u>
<i>Net Change in Fund Balance</i>	(575,721)	(425,347)	150,374
<i>Fund Balance Beginning of Year</i>	740,705	740,705	0
Prior Year Encumbrances Appropriated	<u>50,721</u>	<u>50,721</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$215,705</u></u>	<u><u>\$366,079</u></u>	<u><u>\$150,374</u></u>

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Intergovernmental	\$34,800	\$40,647	\$5,847
Interest	200	421	221
<i>Total Revenues</i>	<u>35,000</u>	<u>41,068</u>	<u>6,068</u>
Expenditures			
Current:			
Public Services:			
Streets, Sidewalks, and Maintenance:			
Contractual Services	10,000	0	10,000
Capital Outlay	110,000	0	110,000
<i>Total Expenditures</i>	<u>120,000</u>	<u>0</u>	<u>120,000</u>
<i>Net Change in Fund Balance</i>	(85,000)	41,068	126,068
<i>Fund Balance Beginning of Year</i>	<u>90,651</u>	<u>90,651</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,651</u></u>	<u><u>\$131,719</u></u>	<u><u>\$126,068</u></u>

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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Fines, Licenses and Permits	\$10,000	\$12,542	\$2,542
Expenditures			
Current:			
General Government:			
Mayor:			
Contractual Services	1,000	0	1,000
Materials and Supplies	1,000	0	1,000
Capital Outlay	28,000	2,097	25,903
<i>Total Expenditures</i>	30,000	2,097	27,903
<i>Net Change in Fund Balance</i>	(20,000)	10,445	30,445
<i>Fund Balance Beginning of Year</i>	27,269	27,269	0
<i>Fund Balance End of Year</i>	\$7,269	\$37,714	\$30,445

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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Fines, Licenses and Permits	\$250,400	\$302,486	\$52,086
Interest	1,000	1,754	754
<i>Total Revenues</i>	<u>251,400</u>	<u>304,240</u>	<u>52,840</u>
Expenditures			
Current:			
Public Safety:			
Police Department:			
Materials and Supplies	5,000	0	5,000
Capital Outlay	324,000	0	324,000
Other	1,000	0	1,000
<i>Total Expenditures</i>	<u>330,000</u>	<u>0</u>	<u>330,000</u>
<i>Net Change in Fund Balance</i>	(78,600)	304,240	382,840
<i>Fund Balance Beginning of Year</i>	<u>275,871</u>	<u>275,871</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$197,271</u></u>	<u><u>\$580,111</u></u>	<u><u>\$382,840</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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Property Taxes	\$213,608	\$208,984	(\$4,624)
Intergovernmental	10,000	14,625	4,625
<i>Total Revenues</i>	223,608	223,609	1
Expenditures			
Current:			
Public Safety:			
Police Department:			
Personal Services	200,000	197,374	2,626
<i>Net Changes in Fund Balance</i>	23,608	26,235	2,627
<i>Fund Balance Beginning of Year</i>	17,096	17,096	0
<i>Fund Balance End of Year</i>	\$40,704	\$43,331	\$2,627

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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Special Assessments	\$8,900	\$9,608	\$708
Expenditures			
Current:			
Public Safety:			
Police:			
Contractual Services	19,781	15,378	4,403
Other	250	96	154
<i>Total Expenditures</i>	20,031	15,474	4,557
<i>Net Change in Fund Balance</i>	(11,131)	(5,866)	5,265
<i>Fund Balance Beginning of Year</i>	111,824	111,824	0
Prior Year Encumbrances Appropriated	1,231	1,231	0
<i>Fund Balance End of Year</i>	\$101,924	\$107,189	\$5,265

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, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Charges for Services	\$76,000	\$82,772	\$6,772
Expenses			
Claims	250,000	82,772	167,228
<i>Net Change in Fund Equity</i>	(174,000)	0	174,000
<i>Fund Equity Beginning of Year, Restated</i>	1,500,000	1,500,000	0
<i>Fund Equity End of Year</i>	<u>\$1,326,000</u>	<u>\$1,500,000</u>	<u>\$174,000</u>

City of Beachwood, Ohio
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Leo Weiss Trust Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance - Positive (Negative)
Revenues			
Interest	\$0	\$5	\$5
Expenses	0	0	\$0
<i>Net Change in Fund Equity</i>	0	5	5
<i>Fund Equity Beginning of Year</i>	1,163	1,163	0
<i>Fund Equity End of Year</i>	\$1,163	\$1,168	\$5

STATISTICAL SECTION



Statistical Section

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

Contents	Page(s)
Financial Trends	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.	
Revenue Capacity	S10-S13
These schedules contain information to help the reader assess the City's most significant local revenue, the municipal income tax.	
Debt Capacity	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.	
Economic and Demographic Information	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.	
Operating Information	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 Comprehensive Annual Financial Reports for the relevant year.

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

	2014	2013	2012	2011
Governmental Activities				
Net Investment in Capital Assets	\$68,483,072	\$69,178,482	\$69,977,360	\$67,950,971
Restricted	9,205,903	9,570,500	4,405,108	4,752,490
Unrestricted	<u>42,308,259</u>	<u>40,034,861</u>	<u>37,588,939</u>	<u>35,358,483</u>
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$119,997,234</u>	<u>\$118,783,843</u>	<u>\$111,971,407</u>	<u>\$108,061,944</u>

(1) Reflects restated amount due to reclassification of unclaimed monies.

2010	2009	2008	2007	2006 (1)	2005
\$63,035,089	\$71,402,619	\$72,898,821	\$66,483,124	\$63,860,050	\$60,100,268
4,887,268	6,235,047	6,676,611	8,360,297	8,891,783	9,868,110
33,534,624	30,286,504	32,938,913	35,314,249	35,014,581	36,479,619
<u>\$101,456,981</u>	<u>\$107,924,170</u>	<u>\$112,514,345</u>	<u>\$110,157,670</u>	<u>\$107,766,414</u>	<u>\$106,447,997</u>

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

	2014	2013	2012	2011	2010
Program Revenues					
Governmental Activities:					
Charges for Services and Operating Assessments:					
General Government (4)	\$47,133	\$63,237	\$339,527	\$380,073	\$602,562
Public Safety					
Police	881,280	533,700	412,230	335,925	399,182
Fire	972,782	907,496	916,111	890,715	837,207
Health and Welfare	148,586	119,648	157,381	151,147	132,167
Culture and Recreation	877,132	876,424	864,037	888,741	862,658
Building and Community Development	864,594	2,095,827	877,811	1,755,022	653,884
Operating Grants and Contributions	567,487	648,516	695,557	807,577	610,933
Capital Grants and Assessments	0	719,852	0	1,250,000	0
<i>Total Governmental Activities</i>					
Program Revenues	4,358,994	5,964,700	4,262,654	6,459,200	4,098,593
Expenses					
Governmental Activities:					
General Government	6,123,993	4,950,386	5,383,560	4,533,871	4,987,961
Public Safety					
Police	8,845,911	8,602,587	8,513,081	8,038,163	7,756,727
Fire	7,332,233	6,862,847	6,609,326	5,955,042	6,155,855
Public Services	13,373,133	12,271,829	11,927,501	10,348,729	11,749,819
Health and Welfare	576,967	513,481	583,900	549,513	587,883
Culture and Recreation	2,726,458	2,801,539	2,828,722	2,608,014	2,663,673
Building and Community Development	1,123,734	1,067,749	959,081	968,373	919,717
Interest and Fiscal Charges	785,182	823,376	746,738	925,241	758,681
<i>Total Governmental Activities Expenses</i>	40,887,611	37,893,794	37,551,909	33,926,946	35,580,316
<i>Total Primary Government Net Expense</i>	(36,528,617)	(31,929,094)	(33,289,255)	(27,467,746)	(31,481,723)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property and Other Local Taxes Levied For:					
General Purposes	3,081,419	2,936,550	2,674,494	2,563,866	2,677,944
Police Pension	253,704	241,277	216,427	209,099	198,870
Municipal Income Taxes Levied					
For General Purposes	29,394,461	29,892,959	28,447,634	25,680,596	17,577,324
Admission, Lodging, and Franchise Taxes (3)	1,433,399	1,323,455	1,336,222	1,264,247	1,132,370
Estate Taxes (4)	1,762,024	2,580,934	3,115,899	3,107,091	2,008,052
Grants and Entitlements not Restricted to					
Specific Programs	436,170	385,209	496,054	670,301	672,345
Investment Earnings	169,279	174,277	145,983	235,120	518,573
Health Care Reimbursements (2)	573,207	530,652	479,070	0	0
Gain on Sale of Capital Assets	0	0	0	0	0
Other	638,345	676,217	286,935	342,389	229,056
<i>Total Governmental Activities</i>	37,742,008	38,741,530	37,198,718	34,072,709	25,014,534
<i>Total Primary Government</i>					
Change in Net Position	\$1,213,391	\$6,812,436	\$3,909,463	\$6,604,963	(\$6,467,189)

(1) Reflects restated amount due to reclassification of unclaimed monies.

(2) Starting in 2012, the City required employees to contribute towards health care premiums.

(3) 2008 was the first year that franchise, lodging, admission and estate taxes were broken out.

(4) The increase in general government charges for services is due to rental income the City started receiving in 2009.

In December, 2008, the City purchased a building that had tenants in it. During the course of 2009, several tenants left the building. As of December 31, 2012, all the tenants were out of the building.

2009	2008	2007	2006 (1)	2005
\$658,618	\$281,149	\$75,862	\$35,719	\$15,762
314,298	112,680	377,134	335,521	208,424
777,082	732,496	689,301	628,159	643,882
131,533	177,335	0	0	0
836,987	780,475	886,887	913,943	909,491
732,246	1,034,730	740,961	610,309	563,345
597,827	545,007	516,739	515,601	488,834
0	0	1,213,633	14,950	572,750
4,048,591	3,663,872	4,500,517	3,054,202	3,402,488
4,875,105	4,447,184	4,362,750	4,459,785	3,748,490
7,920,359	7,546,514	7,410,128	6,955,837	6,833,161
5,982,995	5,606,352	5,273,184	4,993,303	4,893,094
10,531,157	10,634,883	9,630,170	9,862,993	9,522,260
539,326	637,802	557,151	558,952	548,302
2,813,885	2,715,802	2,564,886	2,193,222	2,182,972
979,295	959,136	839,848	878,959	1,018,644
785,037	788,112	836,927	882,345	930,269
34,427,159	33,335,785	31,475,044	30,785,396	29,677,192
(30,378,568)	(29,671,913)	(26,974,527)	(27,731,194)	(26,274,704)
2,829,210	2,715,452	3,859,866	3,682,048	3,550,016
257,116	164,358	224,698	210,604	204,686
18,401,803	20,499,143	20,258,412	19,722,442	16,810,393
843,488	1,075,743	n/a	n/a	n/a
2,643,793	4,593,353	n/a	n/a	n/a
112,837	837,516	2,744,132	3,378,904	3,029,826
486,690	1,879,351	2,102,503	1,767,181	1,016,236
0	0	0	0	0
0	7,508	0	0	0
213,456	256,164	176,172	288,432	153,175
25,788,393	32,028,588	29,365,783	29,049,611	24,764,332
(\$4,590,175)	\$2,356,675	\$2,391,256	\$1,318,417	(\$1,510,372)

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

	2014	2013	2012	2011
General Fund				
Nonspendable	\$1,197,983	\$1,081,452	\$1,057,697	\$991,572
Restricted	0	0	0	0
Committed	390,694	261,150	233,569	1,045,377
Assigned	1,266,580	1,572,707	1,195,872	1,302,093
Unassigned	22,513,741	28,648,180	26,374,028	20,560,840
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
<i>Total General Fund</i>	<u>25,368,998</u>	<u>31,563,489</u>	<u>28,861,166</u>	<u>23,899,882</u>
All Other Governmental Funds				
Restricted	1,847,522	1,776,045	1,438,347	1,602,649
Committed	194,360	25,657	385,869	1,278,616
Assigned	13,142,368	5,596,712	507,438	2,481,856
Unassigned (Deficit)	0	0	0	(133,555)
Reserved	N/A	N/A	N/A	N/A
Undesignated, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Fund	N/A	N/A	N/A	N/A
Capital Projects Fund	N/A	N/A	N/A	N/A
<i>Total All Other Governmental Funds</i>	<u>15,184,250</u>	<u>7,398,414</u>	<u>2,331,654</u>	<u>5,229,566</u>
<i>Total Governmental Funds</i>	<u><u>\$40,553,248</u></u>	<u><u>\$38,961,903</u></u>	<u><u>\$31,192,820</u></u>	<u><u>\$29,129,448</u></u>

*Reflects restated amount due to reclassification of unclaimed monies.

Note: The City implemented GASB 54 in 2010.

2010	2009	2008	2007	2006*	2005
\$806,724	\$886,564	N/A	N/A	N/A	N/A
4,493	13,504	N/A	N/A	N/A	N/A
985,486	18,286	N/A	N/A	N/A	N/A
936,551	1,432,489	N/A	N/A	N/A	N/A
15,477,145	19,147,388	N/A	N/A	N/A	N/A
N/A	N/A	\$1,201,553	\$1,357,644	\$898,602	\$1,494,421
N/A	N/A	25,397,007	25,095,256	21,718,004	16,226,771
18,210,399	21,498,231	26,598,560	26,452,900	22,616,606	17,721,192
1,471,463	4,561,898	N/A	N/A	N/A	N/A
2,821,695	142,401	N/A	N/A	N/A	N/A
5,131,599	5,771,923	N/A	N/A	N/A	N/A
0	0	N/A	N/A	N/A	N/A
N/A	N/A	345,633	897,851	1,755,138	4,510,983
N/A	N/A	848,257	1,508,792	983,548	1,146,771
N/A	N/A	522,545	540,880	473,828	513,283
N/A	N/A	5,827,360	8,202,838	10,794,608	14,135,185
9,424,757	10,476,222	7,543,795	11,150,361	14,007,122	20,306,222
\$27,635,156	\$31,974,453	\$34,142,355	\$37,603,261	\$36,623,728	\$38,027,414

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

	2014	2013	2012	2011	2010
Revenues					
Property and Other Taxes	\$2,738,844	\$2,569,556	\$2,569,986	\$2,471,516	\$2,763,319
Municipal Income Taxes	29,169,007	29,578,663	28,162,508	25,227,131	17,821,568
Charges for Services	2,344,939	2,218,880	2,109,663	1,994,018	2,051,510
Fines, Licenses, and Permits	1,436,960	2,367,813	1,145,214	2,018,317	1,027,705
Intergovernmental	1,004,968	1,057,115	1,210,255	2,709,877	1,269,519
Estate Taxes (1)	1,812,554	2,757,334	3,045,450	3,201,902	1,969,753
Admission Taxes (1)	337,476	352,854	399,449	414,334	342,934
Lodging Taxes (1)	977,506	843,102	805,323	729,988	677,536
Franchise Taxes (1)	118,417	127,499	131,450	119,925	111,900
Rentals (2)	0	0	302,336	358,037	395,509
Health Care Reimbursements (3)	573,207	530,652	479,070	n/a	n/a
Special Assessments	531,205	467,562	456,852	463,637	814,873
Interest	172,286	177,324	149,040	238,581	527,591
Other	638,345	676,217	286,935	342,389	229,056
Total Revenues	41,855,714	43,724,571	41,253,531	40,289,652	30,002,773
Expenditures					
Current:					
General Government	5,008,868	4,494,993	4,711,020	3,989,615	4,398,424
Public Safety					
Police	8,740,855	8,556,641	8,247,989	7,774,404	7,726,739
Fire	6,994,656	6,620,419	7,164,341	6,671,619	6,244,404
Public Services	10,844,374	8,700,525	9,033,212	8,598,504	8,067,990
Health and Welfare	624,272	507,654	578,073	560,421	583,933
Culture and Recreation	2,319,497	2,414,088	2,428,076	2,203,271	2,254,874
Building and Community Development	1,108,407	1,063,829	946,654	965,898	907,177
Capital Outlay	2,305,856	1,291,946	3,769,159	5,678,719	8,630,423
Debt Service:					
Principal Retirement	1,800,000	1,750,000	1,710,000	1,565,000	1,290,000
Interest and Fiscal Charges	517,584	555,393	601,636	787,909	729,137
Bond Issuance Costs	0	0	112,808	0	173,098
Total Expenditures	40,264,369	35,955,488	39,302,968	38,795,360	41,006,199
Excess of Revenues Over (Under) Expenditures	1,591,345	7,769,083	1,950,563	1,494,292	(11,003,426)
Other Financing Sources (Uses)					
Payment to Refunded Bond Escrow Account	0	0	(6,427,283)	0	(4,871,983)
Premium on Bonds	0	0	290,092	0	226,112
General Obligation Bonds Issued	0	0	6,250,000	0	12,810,000
Transfers In	11,810,604	7,805,204	2,650,000	1,841,363	1,037,923
Transfers Out	(11,810,604)	(7,805,204)	(2,650,000)	(1,841,363)	(2,537,923)
Total Other Financing Sources (Uses)	0	0	112,809	0	6,664,129
Net Change in Fund Balances	\$1,591,345	\$7,769,083	\$2,063,372	\$1,494,292	(\$4,339,297)
Debt Service as a Percentage of Noncapital Expenditures	6.37%	6.74%	6.83%	7.79%	6.28%

(1) Starting in 2008, Admission, Lodging and Franchise Taxes were broken out of Property Taxes and Estate Taxes were broken out from Intergovernmental revenues.

(2) Starting in 2009, the City collected rental income from two tenants at the Commerce Park building. In 2010, the City also received rental income from the Beachwood Business Development Center. All renters were out of the building by the end of 2012.

(3) Starting in 2012, the City required employees to contribute towards health care premiums.

2009	2008	2007	2006	2005
\$2,895,836	\$2,792,537	\$3,952,150	\$3,740,957	\$3,617,531
18,325,854	20,440,036	20,277,253	19,773,905	16,546,653
1,856,303	1,782,627	1,643,737	1,605,704	1,551,729
995,331	1,324,213	1,113,312	885,269	764,600
1,240,557	939,868	3,532,681	3,904,940	3,760,230
2,430,800	4,593,353	n/a	n/a	n/a
130,552	143,979	n/a	n/a	n/a
607,839	809,102	n/a	n/a	n/a
105,097	122,662	n/a	n/a	n/a
585,813	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a
887,830	1,025,493	1,060,132	984,691	1,080,198
506,963	1,879,351	2,102,503	1,767,181	1,016,236
213,456	256,164	176,172	239,406	153,175
30,782,231	36,109,385	33,857,940	32,902,053	28,490,352
4,257,790	4,017,322	3,879,282	4,016,348	3,583,744
7,820,112	7,807,378	7,202,251	6,864,212	6,483,602
5,879,094	5,648,187	5,113,246	4,762,553	4,664,119
7,776,652	8,122,295	7,456,227	7,144,377	6,616,107
535,376	624,426	547,248	584,270	535,182
2,401,030	2,301,474	2,154,243	1,871,385	1,855,756
964,252	960,151	893,314	865,529	1,005,214
1,261,144	8,036,268	3,581,446	6,188,929	5,866,548
1,255,000	1,250,000	1,200,000	1,161,000	1,116,000
799,683	802,790	851,150	896,162	943,847
0	0	0	0	0
32,950,133	39,570,291	32,878,407	34,354,765	32,670,119
(2,167,902)	(3,460,906)	979,533	(1,452,712)	(4,179,767)
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
5,107,562	5,036,263	1,044,988	1,051,258	3,046,720
(5,107,562)	(5,036,263)	(1,044,988)	(1,051,258)	(3,046,720)
0	0	0	0	0
(\$2,167,902)	(\$3,460,906)	\$979,533	(\$1,452,712)	(\$4,179,767)
8.52%	6.68%	8.54%	8.07%	8.65%

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

<u>Tax Year</u>	<u>Tax Rate (1)</u>	<u>Total Tax Collected (2)</u>	<u>Taxes From Withholding</u>	<u>Percentage of Taxes From Withholding</u>	<u>Taxes From Net Profits</u>
2014	2.00%	\$29,394,461	\$24,221,036	82.40%	\$3,027,629
2013	2.00	29,892,959	23,884,474	79.90	4,065,442
2012	2.00	28,447,634	22,729,660	79.90	3,698,192
2011	2.00	25,680,596	21,494,659	83.70	2,619,421
2010	1.50	17,577,324	14,940,725	85.00	1,581,959
2009	1.50	18,401,803	14,905,460	81.00	2,208,216
2008	1.50	20,499,143	16,255,820	79.30	2,254,906
2007	1.50	20,258,412	16,684,828	82.36	2,301,356
2006	1.50	19,722,442	15,817,398	80.20	2,169,469
2005	1.50	16,810,393	14,016,506	83.38	1,613,798

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents. In November 2010, the voters approved an increase to 2.0%, effective January 1, 2011.

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

Percentage of Taxes From Net Profits	Taxes From Individuals	Percentage of Taxes From Individuals
10.30%	\$2,145,796	7.30%
13.60	1,943,042	6.50
13.00	2,019,782	7.10
10.20	1,566,516	6.10
9.00	1,054,639	6.00
12.00	1,288,126	7.00
11.00	1,988,417	9.70
11.36	1,272,228	6.28
11.00	1,735,575	8.80
9.60	1,180,089	7.02

City of Beachwood, Ohio
Income Tax Statistics
Current Year and Nine Years Ago

2014				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,174	31.74%	\$4,577,243	1.08%
\$25,000-\$49,999	483	13.06	17,965,553	4.25
\$50,000-\$74,999	427	11.54	26,379,137	6.24
\$75,000-\$99,999	325	8.79	28,399,715	6.72
Over \$100,000	1,290	34.87	345,113,852	81.71
Total	3,699		\$422,435,500	

2005				
Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$0-\$24,999	1,402	36.30%	\$11,231,683	3.31%
\$25,000-\$49,999	607	15.72	22,371,620	6.59
\$50,000-\$74,999	448	11.60	27,961,074	8.24
\$75,000-\$99,999	342	8.86	29,648,426	8.74
Over \$100,000	1,063	27.52	248,106,254	73.12
Total	3,862		\$339,319,057	

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.

2014	
Taxpayer	Ranking
* Eaton Corporation	1
Cleveland Clinic Foundation	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
TOA Technologies	10

2005	
Taxpayer	Ranking
MBNA Marketing Services Inc.	1
Menorah Park Center	2
Beachwood City School District	3
Christian and Timbers Inc.	4
Imperial Home Decor Group	5
Lamson & Sessions Company	6
Tremco Inc.	7
Penske Logistics Inc.	8
Montefire Home	9
Credit General Insurance Co.	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

	2014	2013	2012	2011
Total Assessed Property Value	<u>\$806,226,910</u>	<u>\$797,823,180</u>	<u>\$796,838,720</u>	<u>\$789,545,600</u>
General Bonded Debt Outstanding:				
General Obligation Bonds	\$13,470,000	\$14,885,000	\$16,265,000	\$17,130,000
Bond Anticipation Notes	5,200,000	5,200,000	5,200,000	6,000,000
Special Assessment Bonds	<u>1,635,000</u>	<u>2,020,000</u>	<u>2,390,000</u>	<u>2,755,000</u>
Total Gross Indebtedness	20,305,000	22,105,000	23,855,000	25,885,000
Less:				
Special Assessment Bonds	(1,635,000)	(2,020,000)	(2,390,000)	(2,755,000)
Debt Service Fund Balance	<u>(438,574)</u>	<u>(397,600)</u>	<u>(423,590)</u>	<u>(583,425)</u>
Total Net Debt Applicable to Debt Limit	<u>18,231,426</u>	<u>19,687,400</u>	<u>21,041,410</u>	<u>22,546,575</u>
Overall Legal Debt Limit (10 1/2% of Assessed Valuation)	<u>84,653,826</u>	<u>83,771,434</u>	<u>83,668,066</u>	<u>82,902,288</u>
Legal Debt Margin within 10 1/2% Limitation	<u>\$66,422,400</u>	<u>\$64,084,034</u>	<u>\$62,626,656</u>	<u>\$60,355,713</u>
Legal Debt Margin as a Percentage of the Debt Limit	78.46%	76.50%	74.85%	72.80%
Unvoted Debt Limitation 5 1/2% of Assessed Valuation	<u>\$44,342,480</u>	<u>\$43,880,275</u>	<u>\$43,826,130</u>	<u>\$43,425,008</u>
Total Gross Indebtedness	20,305,000	22,105,000	23,855,000	25,885,000
Less:				
Special Assessment Bonds	(1,635,000)	(2,020,000)	(2,390,000)	(2,755,000)
Debt Service Fund Balance	<u>(438,574)</u>	<u>(397,600)</u>	<u>(423,590)</u>	<u>(583,425)</u>
Net Debt within 5 1/2% Limitation	<u>18,231,426</u>	<u>19,687,400</u>	<u>21,041,410</u>	<u>22,546,575</u>
Unvoted Legal Debt Margin within 5 1/2% Limitation	<u>\$26,111,054</u>	<u>\$24,192,875</u>	<u>\$22,784,720</u>	<u>\$20,878,433</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	58.88%	55.13%	51.99%	48.08%

Source: City Financial Records

2010	2009	2008	2007	2006	2005
<u>\$764,670,350</u>	<u>\$746,489,090</u>	<u>\$771,255,529</u>	<u>\$788,302,216</u>	<u>\$797,623,826</u>	<u>\$755,070,022</u>
\$18,350,000	\$10,750,000	\$11,300,000	\$11,830,000	\$12,355,000	\$12,875,000
6,000,000	3,000,000	3,000,000	0	0	0
<u>3,100,000</u>	<u>3,735,000</u>	<u>4,440,000</u>	<u>5,160,000</u>	<u>5,835,000</u>	<u>6,476,000</u>
27,450,000	17,485,000	18,740,000	16,990,000	18,190,000	19,351,000
(3,100,000)	(3,735,000)	(4,440,000)	(5,160,000)	(5,835,000)	(6,476,000)
<u>(619,113)</u>	<u>(521,467)</u>	<u>(522,545)</u>	<u>(540,880)</u>	<u>(473,828)</u>	<u>(513,283)</u>
<u>23,730,887</u>	<u>13,228,533</u>	<u>13,777,455</u>	<u>11,289,120</u>	<u>11,881,172</u>	<u>12,361,717</u>
<u>80,290,387</u>	<u>78,381,354</u>	<u>80,981,831</u>	<u>82,771,733</u>	<u>83,750,502</u>	<u>79,282,352</u>
<u>\$56,559,500</u>	<u>\$65,152,821</u>	<u>\$67,204,376</u>	<u>\$71,482,613</u>	<u>\$71,869,330</u>	<u>\$66,920,635</u>
70.44%	83.12%	82.99%	86.36%	85.81%	84.41%
<u>\$42,056,869</u>	<u>\$41,056,900</u>	<u>\$42,419,054</u>	<u>\$43,356,622</u>	<u>\$43,869,310</u>	<u>\$41,528,851</u>
27,450,000	17,485,000	18,740,000	16,990,000	18,190,000	19,351,000
(3,100,000)	(3,735,000)	(4,440,000)	(5,160,000)	(5,835,000)	(6,476,000)
<u>(619,113)</u>	<u>(521,467)</u>	<u>(522,545)</u>	<u>(540,880)</u>	<u>(473,828)</u>	<u>(513,283)</u>
<u>23,730,887</u>	<u>13,228,533</u>	<u>13,777,455</u>	<u>11,289,120</u>	<u>11,881,172</u>	<u>12,361,717</u>
<u>\$18,325,982</u>	<u>\$27,828,367</u>	<u>\$28,641,599</u>	<u>\$32,067,502</u>	<u>\$31,988,138</u>	<u>\$29,167,134</u>
43.57%	67.78%	67.52%	73.96%	72.92%	70.23%

City of Beachwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2014

	Governmental Activities Debt Outstanding	Percentage Applicable to City (1)	Amount Applicable to City of Beachwood
Direct - City of Beachwood, Ohio			
General Obligation Bonds	\$13,851,686	100.00%	\$13,851,686
Special Assessment Bonds	<u>1,635,000</u>	100.00%	<u>1,635,000</u>
<i>Total Direct</i>	<u>15,486,686</u>		<u>15,486,686</u>
Overlapping			
Beachwood City Schools			
General Obligation Bonds	35,202,575	100.00%	35,202,575
Notes Payable	3,440,000	100.00%	3,440,000
Capital Leases	244,826	100.00%	244,826
Cuyahoga County			
General Obligation Bonds	285,597,336	2.91%	8,310,882
Revenue Bonds	576,029,491	2.91%	16,762,458
Certificates of Participation	230,885,000	2.91%	6,718,754
Loans Payable	4,859,876	2.91%	141,422
Notes Payable	2,000,000	2.91%	58,200
Capital Leases	478,545,611	2.91%	13,925,677
Regional Transit Authority	150,265,112	2.91%	4,372,715
<i>Total Overlapping</i>	<u>1,767,069,827</u>		<u>50,290,109</u>
<i>Totals</i>	<u><u>\$1,782,556,513</u></u>		<u><u>\$65,776,795</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*

	General Bonded Debt			
Year	General Obligation Bonds (1)	Total Assessed Property Value	Percentage of Assessed Property Value	Per Capita (2)
2014	\$13,851,686	\$806,226,910	1.72%	\$1,159
2013	15,310,976	797,823,180	1.92	1,281
2012	16,735,266	796,838,720	2.10	1,400
2011	17,459,539	789,545,600	2.21	1,461
2010	18,427,896	764,670,350	2.41	1,542
2009	10,894,484	746,489,090	1.46	894
2008	11,454,116	771,255,529	1.49	940
2007	11,993,748	788,302,216	1.52	984
2006	12,528,380	797,623,826	1.57	1,028
2005	13,058,012	755,070,022	1.73	1,072

(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	Total Debt	Percentage of Personal Income (2)	Per Capita (2)
\$1,635,000	\$15,486,686	2.70%	\$1,296
2,020,000	17,330,976	3.02	1,450
2,390,000	19,125,266	3.33	1,600
2,755,000	20,214,539	3.52	1,691
3,100,000	21,527,896	3.75	1,801
3,735,000	14,629,484	2.96	1,201
4,440,000	15,894,116	3.22	1,304
5,160,000	17,153,748	3.47	1,408
5,835,000	18,363,380	3.72	1,507
6,476,000	19,534,012	3.96	1,603

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

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (1)	Median Household Income (1)	Median Age (1)
2014	11,953	\$573,863,530	\$48,010	\$71,932	52.5
2013	11,953	573,863,530	48,010	71,932	52.5
2012	11,953	573,863,530	48,010	71,932	52.5
2011	11,953	573,863,530	48,010	71,932	52.5
2010	11,953	573,863,530	48,010	65,406	51.6
2009	12,186	493,642,674	40,509	65,406	51.6
2008	12,186	493,642,674	40,509	65,406	51.6
2007	12,186	493,642,674	40,509	65,406	51.6
2006	12,186	493,642,674	40,509	65,406	51.6
2005	12,186	493,642,674	40,509	65,406	51.6

(1) Source: 2010 and 2000 U.S. Census.

(2) Source: Beachwood City Schools

(3) Computation of per capita personal income multiplied by population.

(4) Ohio Labor Market Website: www.lmi.state.oh.us

(5) Source: Cuyahoga County Fiscal Officer

School Enrollment (2)	Educational Attainment: Bachelor's Degree or Higher (1)	Cuyahoga County Unemployment Rate (4)	Average Sales Price of Residential Property (5)	Total Assessed Property Value
1,414	55.6%	6.4%	\$269,365	\$806,226,910
1,497	55.6	7.2	274,896	797,823,180
1,536	55.6	7.1	252,595	796,838,720
1,552	55.6	8.0	231,819	789,545,600
1,524	50.9	8.6	281,328	764,670,350
1,598	50.9	9.2	276,796	746,489,090
1,571	50.9	7.1	269,676	771,255,529
1,545	50.9	6.1	290,728	788,302,216
1,541	50.9	5.5	282,835	797,623,826
1,541	50.9	6.1	302,735	755,070,022

City of Beachwood, Ohio
Principal Employers
Current Year and Nine Years Ago

2014		
Employer	Employees	Percentage of Total
Cleveland Clinic Foundation	2,281	8.84%
University Hospitals	1,197	4.64
Menorah Park Center	1,103	4.27
Eaton Corporation	902	3.50
Beachwood City School District	560	2.17
Montefiore Home	536	2.08
Developers Diversified	518	2.01
City of Beachwood	483	1.87
Nordstrom	469	1.82
Aleris Ohio Management	300	1.15
Total	8,349	32.35%
Total Employment within the City	25,807	

2005		
Employer	Employees	Percentage of Total
MBNA Marketing Services Inc.	3,061	13.47%
Menorah Park Center	1,407	6.19
Developers Diversified	539	2.37
Cleveland Clinic Foundation	479	2.11
Beachwood City School District	403	1.77
City of Beachwood	338	1.49
Tremco Inc.	293	1.29
Lamson & Sessions Company	196	0.86
Brulant Inc.	183	0.81
Medical Mutual of Ohio	181	0.80
Total	7,080	31.16%
Total Employment within the City	22,720	

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

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

Function/Program	2014	2013	2012	2011
General Government				
Square Footage Occupied (1)	70,786	70,786	70,786	70,786
Vehicles	2	2	2	2
Police				
Stations	1	1	1	1
Square Footage of Building	72,254	72,254	72,254	72,254
Vehicles	34	35	35	35
Fire Station				
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	5,472	5,472	5,472	5,472
Vehicles	15	14	14	13
Public Service				
Streets (miles)	46	46	46	46
Vehicles	60	56	56	54
Square Footage of Building (3)	198,000	198,000	198,000	198,000
Health and Welfare				
Vehicles	3	3	3	3
Culture and Recreation				
Number of Parks	2	2	2	2
Number of Pools	1	1	1	1
Vehicles	1	2	2	2
Square Footage of Community Center (2)	14,000	14,000	14,000	14,000
Building and Community Development				
Vehicles	6	6	6	6

(1) In 2005, the City completed a major remodel/expansion of City Hall.

(2) In 2006, the City completed a major remodel/expansion of the Community Center

(3) In 2011, the Service department moved into the building at 23350 Commerce Park.

Source: City Hall records

2010	2009	2008	2007	2006	2005
70,786 2	70,786 2	70,786 2	70,786 2	70,786 2	70,786 2
1 72,254 35	1 72,254 35	1 72,254 35	1 72,254 33	1 72,254 32	1 72,254 31
2 21,970 5,472 13	2 21,970 5,472 12	2 21,970 5,472 12	2 21,970 5,472 11	2 21,970 5,472 11	2 21,970 5,472 10
46 54 41,285	46 54 41,285	46 56 41,285	46 56 41,285	46 55 41,285	46 55 41,285
2	2	3	3	3	2
2 1 2 14,000	2 1 2 14,000	2 1 2 14,000	2 1 2 14,000	2 1 1 14,000	2 1 1 8,000
6	6	7	8	8	7

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

Function/Program	2014	2013	2012	2011
General Government				
Number of Ordinances and Resolutions	152	167	202	180
Number of non-payroll checks processed	4,280	4,137	4,417	4,299
Number of purchase orders issued	4,445	4,143	4,290	4,060
Public Safety				
Police				
Total arrests	N/A	1,037	723	496
Drug arrests	N/A	34	18	20
OVI arrests (formally DUI)	97	61	42	65
Warrants served	322	116	147	138
Fire				
Total EMS and Fire responses	4,609	4,593	4,514	4,589
Total Fire responses	907	1,351	1,365	1,445
Total EMS responses	3,702	3,242	3,149	3,144
Routine fire safety inspections	1,525	1,137	1,248	1,582
Re-inspections	830	930	1,045	1,232
New construction inspections	151	359	310	220
Public Services				
Tons of rubbish picked up	3,310	3,296	3,189	3,488
Tons of leaves collected for recycling	2,835	2,640	2,600	2,670
Number of trees planted	145	204	236	146
Number of catch basins cleaned and repaired	545	527	461	431
Tons of cold patch used	20	19	23	52
Yards of concrete poured and finished	1,152	514	1,381	678
Tons of salt purchased	16,457	8,262	3,908	13,659
Health and Welfare				
Number of senior trips taken	71	69	71	51
Culture and Recreation				
Total attendance at Aquatic Center	44,031	45,049	49,504	48,000
Building and Community Development				
Number of permits issued	375	329	334	309

N/A - Data not available

Source: City records

2010	2009	2008	2007	2006	2005
176	160	186	183	160	149
4,269	4,693	5,321	4,937	4,962	4,823
4,077	4,496	4,787	4,253	4,225	4,278
729	650	631	666	609	576
20	25	14	16	11	21
55	67	71	73	71	53
119	140	153	154	160	243
4,209	4,087	4,038	3,832	3,613	3,701
1,189	1,138	1,068	1,132	1,049	1,150
3,020	2,949	2,970	2,700	2,564	2,551
1,031	1,105	1,403	1,169	881	908
707	860	942	581	725	481
232	145	203	207	182	103
3,714	3,933	4,208	4,946	4,843	4,836
2,670	3,195	3,564	3,447	3,007	2,588
327	270	201	329	353	251
324	443	374	373	297	381
17	37	55	40	24	66
740	450	507	565	279	423
10,363	7,178	12,712	11,229	4,695	13,908
57	66	64	53	50	48
55,757	53,262	54,001	58,588	56,855	76,526
189	167	210	292	264	248

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

	2014	2013	2012	2011
General Government				
Council	7.0	7.0	7.0	7.0
Mayor's Office	3.0	3.0	3.0	3.0
Economic Development (1)	2.0	2.0	1.5	0.0
Finance	11.0	11.0	11.5	12.5
Law	3.5	2.5	2.5	2.5
Public Safety				
Police Administration	3.0	3.0	3.0	3.0
Police Officers	40.0	43.0	39.0	42.0
Dispatchers	13.0	15.0	15.0	12.0
Police - Correction Officers	9.0	9.5	9.0	9.0
Police - Crossing Guards	6.5	6.5	6.5	6.5
Fire Administration	6.5	6.5	6.5	5.5
Fire Fighters	42.0	39.0	38.0	36.0
Public Service	55.0	55.0	59.5	56.5
Culture and Recreation				
Human Services	5.5	5.5	5.5	5.0
Recreation Administration	8.0	8.0	8.0	6.5
Recreation Camps	50.5	50.0	45.0	46.0
Recreation Sports	8.5	8.5	10.0	10.5
Recreation Other	9.5	9.5	9.5	10.5
Pool and Parks	32.5	36.5	37.0	38.0
Building and Community Development				
Building Department	10.5	10.5	9.5	9.0
Total	326.5	331.5	326.5	321.0

Source: City of Beachwood records

Method: Using 1.0 for each full-time employee and 0.50 for each part time and seasonal employee.

Counts are as of December 31 of each year.

(1) The Economic Development Department was created in 2010. In 2011, there were no employees as the City was restructuring the department. By the end of 2012, there was one full-time position and one part-time position. In 2013, there were two full-time positions.

2010	2009	2008	2007	2006	2005
7.0	7.0	7.0	7.0	7.0	7.0
3.0	3.0	3.0	5.0	5.0	4.5
2.0	0.0	0.0	0.0	0.0	0.0
12.5	15.0	12.0	10.0	12.0	12.0
2.5	3.0	3.0	3.0	4.0	4.0
3.0	3.0	3.0	4.0	4.0	3.0
41.0	43.0	42.0	42.0	42.0	40.0
11.0	12.0	12.0	12.0	12.0	11.0
9.0	9.0	8.0	8.5	8.5	9.0
7.0	7.0	7.0	7.0	7.0	6.5
5.0	5.0	5.0	4.5	4.5	4.5
38.0	42.0	39.0	39.0	39.0	39.0
53.5	56.5	57.0	60.5	54.5	57.0
6.0	6.0	6.0	6.0	8.5	6.5
7.5	7.0	7.0	7.0	5.0	5.0
44.5	37.0	38.0	33.0	37.0	44.5
14.0	14.0	14.0	14.0	13.5	13.0
8.5	15.0	15.0	17.0	17.0	14.5
39.0	41.0	40.0	41.0	42.0	45.0
11.0	11.0	11.0	11.0	11.0	12.0
325.0	336.5	329.0	331.5	333.5	338.0

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