



THE CITY OF BEACHWOOD OHIO

- ANNUAL COMPREHENSIVE FINANCIAL REPORT -

ACFR

for the year ended
DECEMBER 31, 2021

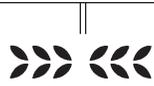
CITY OF
Beachwood

THE CITY OF BEACHWOOD OHIO
Annual Comprehensive Financial Report
for the year ended December 31,2021



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

INTRODUCTORY SECTION



City of Beachwood, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2021
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June 27, 2022

Members of Beachwood City Council and
The Citizens of Beachwood, Ohio

It is our privilege to present to you the City of Beachwood's (the City) Annual Comprehensive Financial Report. This report represents the official report of the City of Beachwood's operations and financial position for the year ended December 31, 2021, 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 2021. The independent auditor's report is presented in the Financial Section of this report.

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

Profile of the Government

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

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

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

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

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

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

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

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

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

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

Local Economy

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

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

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

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

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

In an effort to provide the highest level of services to its residential and business community the City has spent over \$75,963,000 over the past fifteen years on City streets, facilities and recreational areas. These improvements were financed with a combination of existing funds and debt. At year end, \$7,985,000 in general obligation bonds was outstanding.

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

Long-term financial planning and relevant financial policies

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

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

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

Major initiatives

UH Ahuja Medical Center expansion of University Hospitals Ahuja Medical Center broke ground during Spring 2020 with a service launch to occur in early-2023. The \$236 million project will bring new healthcare services and approximately 1,000 new jobs to the community through the addition of a new 215,495 square foot, four-story hospital building and a three-story, 78,185 square-foot sports medicine complex.

Canterbury Golf Club started a locker room and patio bar area renovations with an estimated \$2.4 million dollar renovation to be completed in early 2022.

Beachwood High School invested \$600,000 in a new maintenance building, softball field renovations including a new scoreboard and press box bleachers, and Natatorium renovations.

23550 Commerce Park invested more than \$1 million in interior and exterior renovations to the former northern portion of the City Service Center.

Ross Dress for Less opened at 24065 Chagrin Blvd with a \$900,000 renovation. Ross Dress for Less is a high-quality department and specialty store at extraordinary savings while providing an easy and organized shopping experience.

Beachwood Mall began renovations for Co-Hatch and North High Brewery both opening in early 2022. Co-Hatch investment is estimated to be more than \$1.8 million and is a new work and social space built in communities for flexible work close to home. North High Brewery investment is estimated to be more than \$460,000 and is a Midwest inspired craft brewery with a large variety of beers and a creatively classic food menu.

3800 Park East Drive began the conversion of the former nursing home building with 144,000 square feet, to 146 luxury suite apartments with an investment of \$13,000,000.

23700 Commerce Park Saber Healthcare completed an interior renovation investing more than \$200,000.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beachwood for its annual comprehensive financial report for the year ended December 31, 2020.

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

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

ACKNOWLEDGMENTS

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

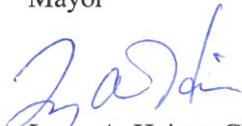
In addition, we would like to thank Beachwood City Council, without whose positive leadership and encouragement, the preparation of this report would not have been possible.

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

Respectfully submitted,



Justin Berns
Mayor



Larry A. Heiser, CPA
Director of Finance

City of Beachwood, Ohio

City Officials - as of December 31, 2021

ELECTED OFFICIALS

Mayor-Safety Director Martin S. Horwitz (1)

President of Council James Pasch (1)

Council Member Justin Berns (2)

Council Member Mike Burkons

Council Member Alec Isaacson

Council Member Barbara Bellin Janovitz

Council Member Eric Synenberg

Council Member June Taylor

APPOINTED OFFICIALS

Finance Director Larry Heiser

Police Chief Katherine Dolan

Fire Chief Steven Holtzman

Service Director Chris Arrietta

Building Commissioner..... William B. Griswold

Clerk of Courts Kelly Resek

Community Service Director Derek Schroeder

Law Director Stewart Hastings

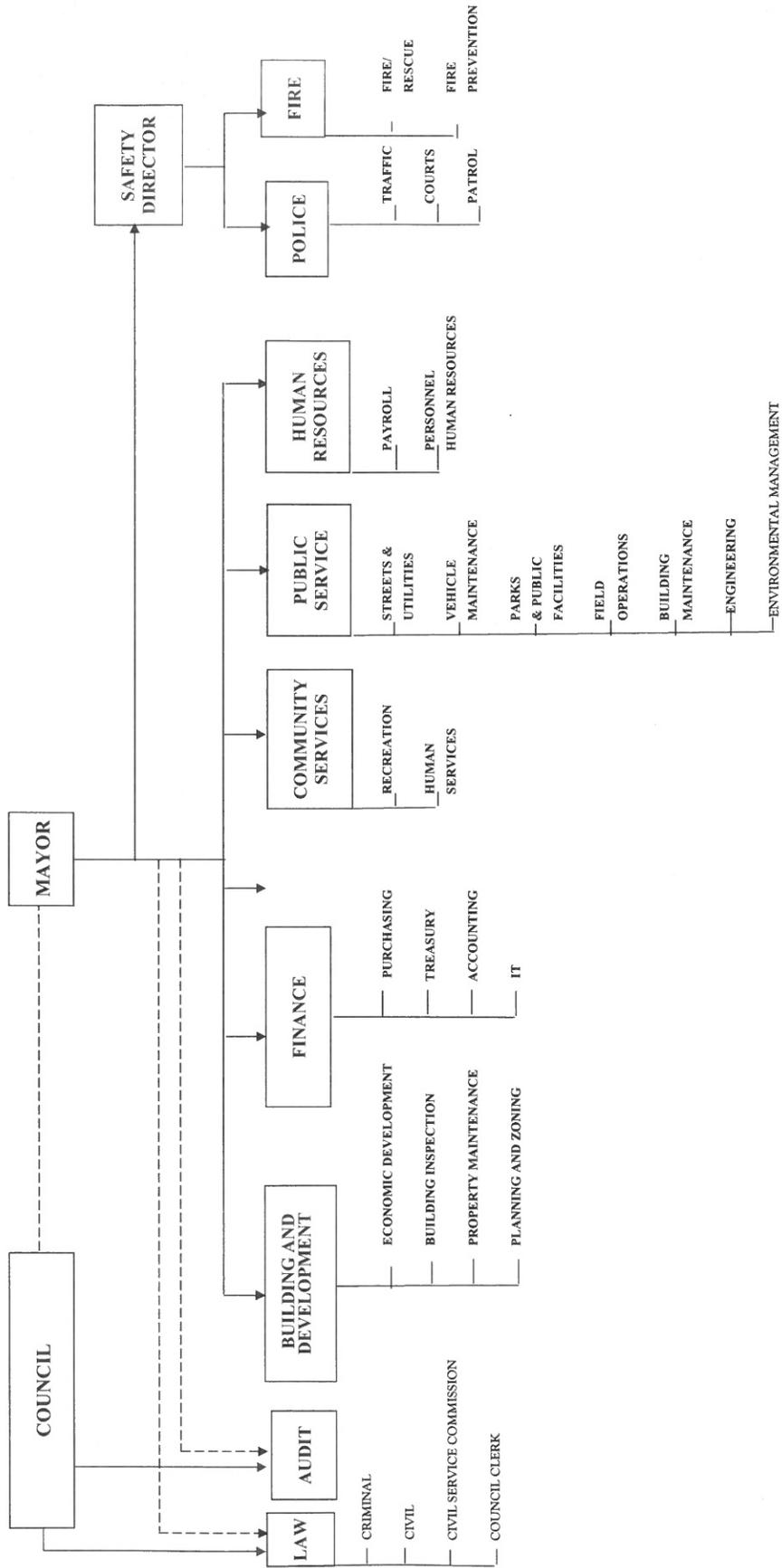
City Auditor Harvey S. Rose

Clerk of Council Whitney Crook

- (1) On November 2, 2021, Justin Berns was elected as Mayor and Joshua Mintz was elected to Council, replacing James Pasch, effective January 1, 2022.
- (2) On February 7, 2022, Council appointed Danielle Shoykhet to fill the vacated spot when Justin Berns was elected as Mayor.

CITY OF BEACHWOOD

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Beachwood
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the City Council:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio (City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Beachwood, Cuyahoga County, Ohio as of December 31, 2021, and the respective changes in financial position and , where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and Eaton Tax Increment Financing Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2022, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 27, 2022

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
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, 2021. 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 2021 are as follows:

- The City's financial position increased from 2020 to 2021 as indicated by the increase in total net position for governmental activities of \$10,886,465. If deferred inflows and liabilities related to pension and OPEB are added to total net position and net pension/OPEB assets and deferred outflows related to pension and OPEB are subtracted from total net position, the total net position for 2021 and 2020 respectively is \$137,735,036 and \$135,866,847. Under this scenario, the City's financial position increased by \$1,868,189.
- Long-term debt decreased in 2021 due to scheduled annual debt service payments and the early retirement of some debt.
- In 2021, the City sold part of a building for approximately \$2.7 million.

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, 2021
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 18, provide detailed information about the City's major funds and include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements tell how City services charged to major funds were financed in the short-term as well as what remains for future spending. For the City of Beachwood, the most significant governmental funds are the general fund, Eaton TIF fund, bond retirement fund and capital improvements fund.

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

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

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

The City of Beachwood as a Whole

Statement of Net Position

As noted earlier, the Statement of Net Position looks at the City as a whole and can prove to be a useful indicator of the City's financial position. Table 1 provides a summary of the City's net position for 2021 and 2020.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 1
Net Position

| | Governmental Activities | | |
|---------------------------------------|-------------------------|--------------|--------------|
| | 2021 | 2020 | Change |
| Assets | | | |
| Total Current and Other Assets | \$80,039,347 | \$77,541,429 | \$2,497,918 |
| Net Pension Asset | 0 | 1,077 | (1,077) |
| Net OPEB Asset | 1,125,906 | 0 | 1,125,906 |
| Nondepreciable Capital Assets | 13,323,047 | 14,235,641 | (912,594) |
| Depreciable Capital Assets, Net | 70,996,269 | 73,947,509 | (2,951,240) |
| Total Assets | 165,484,569 | 165,725,656 | (241,087) |
| Deferred Outflows of Resources | | | |
| Pension | 5,164,349 | 6,200,513 | (1,036,164) |
| OPEB | 2,806,148 | 3,877,292 | (1,071,144) |
| Total Deferred Outflows of Resources | 7,970,497 | 10,077,805 | (2,107,308) |
| Liabilities | | | |
| Total Current and Other Liabilities | 2,107,627 | 2,753,946 | 646,319 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 2,815,964 | 3,195,159 | 379,195 |
| Due In More Than One Year | | | |
| Net Pension Liability | 35,512,914 | 40,893,558 | 5,380,644 |
| Net OPEB Liability | 3,960,168 | 13,470,397 | 9,510,229 |
| Other Amounts | 13,743,043 | 16,229,230 | 2,486,187 |
| Total Liabilities | 58,139,716 | 76,542,290 | 18,402,574 |
| Deferred Inflows of Resources | | | |
| Property Taxes | 3,352,207 | 3,104,804 | (247,403) |
| Payments in Lieu of Taxes | 4,604,786 | 4,573,516 | (31,270) |
| Pension | 8,615,606 | 6,309,334 | (2,306,272) |
| OPEB | 5,825,149 | 3,241,303 | (2,583,846) |
| Total Deferred Inflows of Resources | 22,397,748 | 17,228,957 | (5,168,791) |
| Net Position | | | |
| Net Investment in Capital Assets | 71,970,337 | 72,816,039 | (845,702) |
| Restricted for: | | | |
| Debt Service | 4,988,772 | 5,204,072 | (215,300) |
| Unclaimed Monies | 10,927 | 27,283 | (16,356) |
| Streets | 2,655,276 | 2,431,767 | 223,509 |
| Eaton TIF | 5,988,306 | 5,988,305 | 1 |
| Other Purposes | 990,101 | 445,173 | 544,928 |
| Unrestricted (Deficit) | 6,313,883 | (4,881,502) | 11,195,385 |
| Total Net Position | \$92,917,602 | \$82,031,137 | \$10,886,465 |

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange: - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange; however, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

The City’s financial position increased from 2020 to 2021 as indicated by the increase in total net position for governmental activities of \$10,886,465. If deferred inflows and liabilities related to pension and OPEB are added to total net position and net pension/OPEB assets and deferred outflows related to pension and OPEB are subtracted from total net position, the total net position for 2021 and 2020 respectively is \$137,735,036 and \$135,866,847. Under this scenario, the City’s financial position increased by \$1,868,189.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2021 and 2020.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 2
Change in Net Position

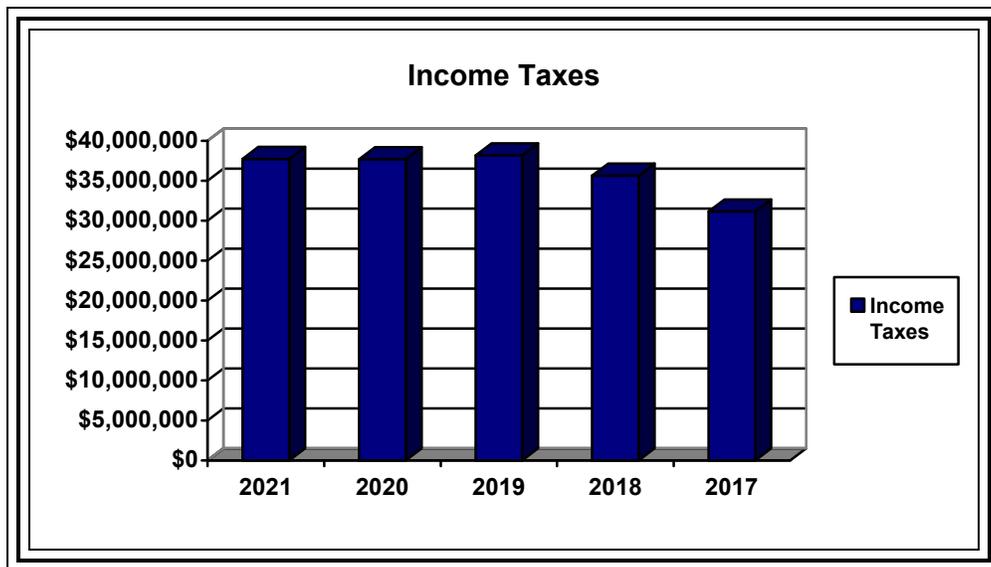
| | Governmental Activities | | |
|---|----------------------------|----------------------------|----------------------------|
| | 2021 | 2020 | Change |
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services | \$4,186,882 | \$3,260,441 | \$926,441 |
| Operating Grants, Contributions and Interest | 1,581,512 | 1,579,124 | 2,388 |
| Capital Grants, Contributions and Assessments | 76,000 | 0 | 76,000 |
| General Revenues | | | |
| Property Taxes | 3,297,578 | 3,095,004 | 202,574 |
| Payments in Lieu of Taxes | 4,573,517 | 4,470,526 | 102,991 |
| Municipal Income Tax | 37,712,799 | 37,676,377 | 36,422 |
| Admission, Lodging and Franchise Taxes | 903,742 | 793,102 | 110,640 |
| Grants and Entitlements | 448,799 | 657,586 | (208,787) |
| Investment Earnings | 164,483 | 980,316 | (815,833) |
| Gain on Sale of Capital Assets | 644,695 | 723,515 | (78,820) |
| Other | 227,510 | 187,755 | 39,755 |
| Total Revenues | <u>53,817,517</u> | <u>53,423,746</u> | <u>393,771</u> |
| Program Expenses | | | |
| General Government | 12,427,670 | 13,817,557 | 1,389,887 |
| Public Safety: | | | |
| Police | 9,083,614 | 12,235,542 | 3,151,928 |
| Fire | 9,310,350 | 10,413,971 | 1,103,621 |
| Public Services | 8,735,102 | 14,557,931 | 5,822,829 |
| Culture and Recreation | 2,131,856 | 2,334,835 | 202,979 |
| Building and Community Development | 899,829 | 1,408,867 | 509,038 |
| Interest and Fiscal Charges | 342,631 | 505,252 | 162,621 |
| Total Expenses | <u>42,931,052</u> | <u>55,273,955</u> | <u>12,342,903</u> |
| Change in Net Position | 10,886,465 | (1,850,209) | 12,736,674 |
| Net Position Beginning of Year | <u>82,031,137</u> | <u>83,881,346</u> | <u>(1,850,209)</u> |
| Net Position End of Year | <u><u>\$92,917,602</u></u> | <u><u>\$82,031,137</u></u> | <u><u>\$10,886,465</u></u> |

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

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 \$37,712,799 in income tax collections or 70.1 percent of total 2021 revenue. Other significant sources of revenue include property taxes and payments in lieu of property taxes of which the City received \$3,297,578 and \$4,573,517 respectively in 2021.

In 2021, the City experienced an increase in income taxes (\$37,712,799 in 2021 compared to \$37,676,377 in 2020 – full accrual basis). The chart below identifies income tax receipts for the last five years.



City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
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 2021 | Net Cost of Services 2021 | Total Cost of Services 2020 | Net Cost of Services 2020 |
|-----------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| General Government | \$12,427,670 | (\$12,294,216) | \$13,817,557 | (\$13,623,940) |
| Public Safety | | | | |
| Police | 9,083,614 | (8,567,396) | 12,235,542 | (11,583,174) |
| Fire | 9,310,350 | (7,528,244) | 10,413,971 | (8,779,739) |
| Public Services | 8,735,102 | (7,806,767) | 14,557,931 | (13,610,419) |
| Culture and Recreation | 2,131,856 | (1,386,317) | 2,334,835 | (2,299,372) |
| Building and | | | | |
| Community Development | 899,829 | 838,913 | 1,408,867 | (32,494) |
| Interest and Fiscal Charges | 342,631 | (342,631) | 505,252 | (505,252) |
| Total | \$42,931,052 | (\$37,086,658) | \$55,273,955 | (\$50,434,390) |

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the general government. The total cost of services and the net cost of services both decreased in 2021.

Police and Fire account for approximately 42.9 percent of total 2021 expenses. Public services expenses accounts for approximately 20.4 percent of total 2021 expenses. A significant portion of these expenses can be attributed to salaries, employee benefits and infrastructure depreciation. General government expenses account for approximately 29.0 percent of total 2021 expenses. A significant portion of these expenses can be attributed to salaries, wages, employee benefits and payments related to tax increment financing agreements.

The City's Funds

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

The general fund is the chief operating fund of the City. The total fund balances at December 31, 2021 and 2020 were \$37,898,499 and \$37,535,649 respectively.

The Eaton TIF fund is used to account for and report all revenue and expenses related to the Eaton TIF agreement. The fund balance at December 31, 2021 was \$5,988,306 which is an increase of \$1 from the prior year.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

The bond retirement fund is used to account for the accumulation of resources for, and the payment of, various types of debt principal, interest and related costs. The fund balances at December 31, 2021 and 2020 were \$435,609 and \$239,683 respectively. The bond retirement fund receives revenue through special assessments levied against various property owners. Additional monies are received from other financing sources such as the issuance of bonds and notes and transfers from the general fund.

The capital improvements fund is used to account for the flow of resources related to the construction, acquisition, and renovation of capital assets. This fund is funded with excess revenue from the general fund. The City strives to maintain a general fund balance which is 50 percent of general fund revenues. Any excess may be transferred to the capital improvements fund. The fund balances at December 31, 2021 and 2020 were \$13,164,282 and \$11,988,789 respectively. The increase is due to the sale of a building in 2021.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. The legal level of control has been established by Council at the personal services and other object level within each fund. Any budgetary modifications at this level may only be made by ordinance of City Council. During the course of the year, the City amended its general fund budget several times. In addition to day-to-day budget monitoring, the Finance Director closely examines the budget with the preparation of the monthly financial statements.

For the general fund (excluding other financing sources and uses), final budgeted revenues were \$44,966,218; and actual revenue collections were \$46,548,039. Final budgeted appropriations were \$50,883,694 and actual expenditures were \$44,558,281. Part of the difference between budgeted appropriations and actual expenditures is due to reduced programing due to the pandemic. Additionally, appropriations are always conservatively budgeted on the high side which accounts for the difference between budgeted appropriations and actual expenditures.

Debt Administration and Capital Assets

Debt

Table 4 summarizes outstanding debt at December 31, 2021 compared to December 31, 2020.

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 2021, the City exercised its option to pay off early the 2012 bond refunding debt. See Note 16 to the basic financial statements for more information regarding the City's outstanding debt.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

Table 4
Outstanding Debt at Year End

| | Governmental Activities | |
|--------------------------|-------------------------|--------------|
| | 2021 | 2020 |
| General Obligation Bonds | \$8,300,058 | \$11,257,850 |
| Special Assessment Bonds | 4,295,437 | 4,541,665 |
| <i>Totals</i> | \$12,595,495 | \$15,799,515 |

Capital Assets

Table 5 compares capital assets as of December 31, 2021 to balances at December 31, 2020.

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

| | Governmental Activities | |
|----------------------------|-------------------------|--------------|
| | 2021 | 2020 |
| Land | \$12,882,641 | \$14,235,641 |
| Land Improvements | 915,454 | 1,291,436 |
| Buildings and Improvements | 37,535,882 | 39,425,086 |
| Furniture and Equipment | 1,457,661 | 1,556,550 |
| Vehicles | 3,369,446 | 2,640,931 |
| Construction in Progress | 440,406 | 0 |
| Infrastructure | | |
| Streets | 23,238,828 | 24,613,936 |
| Sanitary Sewers | 1,523,689 | 1,574,072 |
| Storm Sewers | 1,677,508 | 1,556,532 |
| I-Net Fiber | 747,034 | 748,752 |
| Traffic Signals | 530,767 | 540,214 |
| <i>Totals</i> | \$84,319,316 | \$88,183,150 |

Significant capital asset deletions include the sale of a building. In 2021, the City sold the north end of the Public Works building for approximately \$2,700,000.

City of Beachwood, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2021
Unaudited

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 Public Works 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 \$2.5 million a year for the road maintenance program.

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

Current Financial Related Activities

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

Contacting the City's Finance Department

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

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City of Beachwood, Ohio

Statement of Net Position

December 31, 2021

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$53,005,640 |
| Accounts Receivable | 111,190 |
| Loans Receivable | 3,106,792 |
| Admission Taxes Receivable | 26,917 |
| Lodging Taxes Receivable | 53,850 |
| Franchise Taxes Receivable | 30,704 |
| Intergovernmental Receivable | 473,632 |
| Interest Receivable | 183,460 |
| Materials and Supplies Inventory | 833,406 |
| Prepaid Items | 552,394 |
| Property Taxes Receivable | 3,707,008 |
| Income Taxes Receivable | 8,179,999 |
| Payments in Lieu of Property Taxes Receivable | 4,604,786 |
| Special Assessments Receivable | 5,169,569 |
| Net OPEB Asset | 1,125,906 |
| Nondepreciable Capital Assets | 13,323,047 |
| Depreciable Capital Assets, Net | 70,996,269 |
| <i>Total Assets</i> | <u>165,484,569</u> |
| Deferred Outflows of Resources | |
| Pension | 5,164,349 |
| OPEB | 2,806,148 |
| <i>Total Deferred Outflows of Resources</i> | <u>7,970,497</u> |
| Liabilities | |
| Accounts Payable | 234,019 |
| Retainage Payable | 39,789 |
| Accrued Wages | 676,022 |
| Matured Compensated Absences | 365,401 |
| Intergovernmental Payable | 406,637 |
| Accrued Interest Payable | 33,144 |
| Deposits Held and Due to Others | 96,271 |
| Contracts Payable | 249,190 |
| Claims Payable | 7,154 |
| Long-Term Liabilities: | |
| Due Within One Year | 2,815,964 |
| Due In More Than One Year | |
| Net Pension Liability (See Note 13) | 35,512,914 |
| Net OPEB Liability (See Note 14) | 3,960,168 |
| Other Amounts | 13,743,043 |
| <i>Total Liabilities</i> | <u>58,139,716</u> |
| Deferred Inflows of Resources | |
| Property Taxes | 3,352,207 |
| Payments in Lieu of Taxes | 4,604,786 |
| Pension | 8,615,606 |
| OPEB | 5,825,149 |
| <i>Total Deferred Inflows of Resources</i> | <u>22,397,748</u> |
| Net Position | |
| Net Investment in Capital Assets | 71,970,337 |
| Restricted for: | |
| Debt Service | 4,988,772 |
| Unclaimed Monies | 10,927 |
| Streets | 2,655,276 |
| Eaton TIF | 5,988,306 |
| Other Purposes | 990,101 |
| Unrestricted (Deficit) | 6,313,883 |
| <i>Total Net Position</i> | <u>\$92,917,602</u> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Activities
For the Year Ended December 31, 2021

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position |
|--|---------------------|-------------------------|---|--|--|
| | Expenses | Charges for Services | Operating Grants Contributions and Interest | Capital Grants Contributions and Assessments | Governmental Activities |
| Governmental Activities | | | | | |
| General Government | \$12,427,670 | \$133,454 | \$0 | \$0 | (\$12,294,216) |
| Public Safety: | | | | | |
| Police | 9,083,614 | 499,167 | 17,051 | 0 | (8,567,396) |
| Fire | 9,310,350 | 1,069,980 | 712,126 | 0 | (7,528,244) |
| Public Services | 8,735,102 | 0 | 852,335 | 76,000 | (7,806,767) |
| Culture and Recreation | 2,131,856 | 745,539 | 0 | 0 | (1,386,317) |
| Building and | | | | | |
| Community Development | 899,829 | 1,738,742 | 0 | 0 | 838,913 |
| Interest and Fiscal Charges | 342,631 | 0 | 0 | 0 | (342,631) |
| <i>Total Governmental Activities</i> | <u>\$42,931,052</u> | <u>\$4,186,882</u> | <u>\$1,581,512</u> | <u>\$76,000</u> | <u>(37,086,658)</u> |
| General Revenues | | | | | |
| Property Taxes Levied for | | | | | |
| General Purposes | | | | | 3,050,260 |
| Police Pension | | | | | 247,318 |
| Payments in Lieu of Taxes | | | | | 4,573,517 |
| Municipal Income Taxes Levied for | | | | | |
| General Purposes | | | | | 37,712,799 |
| Admission, Lodging and Franchise Taxes | | | | | 903,742 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 448,799 |
| Investment Earnings | | | | | 164,483 |
| Gain on Sale of Capital Assets | | | | | 644,695 |
| Other | | | | | 227,510 |
| <i>Total General Revenues</i> | | | | | <u>47,973,123</u> |
| Change in Net Position | | | | | 10,886,465 |
| <i>Net Position Beginning of Year</i> | | | | | <u>82,031,137</u> |
| <i>Net Position End of Year</i> | | | | | <u>\$92,917,602</u> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Balance Sheet
Governmental Funds
December 31, 2021

| | General | Eaton TIF | Bond Retirement | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|--------------------|-------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$31,239,164 | \$5,988,306 | \$435,609 | \$10,393,113 | \$3,336,455 | \$51,392,647 |
| Property Taxes Receivable | 3,428,981 | 0 | 0 | 0 | 278,027 | 3,707,008 |
| Payments in Lieu of Taxes Receivable | 0 | 4,326,920 | 0 | 0 | 277,866 | 4,604,786 |
| Income Taxes Receivable | 8,179,999 | 0 | 0 | 0 | 0 | 8,179,999 |
| Loans Receivable | 0 | 0 | 0 | 3,106,792 | 0 | 3,106,792 |
| Admission Taxes Receivable | 26,917 | 0 | 0 | 0 | 0 | 26,917 |
| Lodging Taxes Receivable | 53,850 | 0 | 0 | 0 | 0 | 53,850 |
| Franchise Taxes Receivable | 30,704 | 0 | 0 | 0 | 0 | 30,704 |
| Accounts Receivable | 111,190 | 0 | 0 | 0 | 0 | 111,190 |
| Intergovernmental Receivable | 189,413 | 0 | 0 | 0 | 284,219 | 473,632 |
| Interest Receivable | 183,460 | 0 | 0 | 0 | 0 | 183,460 |
| Materials and Supplies Inventory | 833,406 | 0 | 0 | 0 | 0 | 833,406 |
| Prepaid Items | 552,394 | 0 | 0 | 0 | 0 | 552,394 |
| Special Assessments Receivable | 0 | 0 | 5,121,802 | 47,767 | 0 | 5,169,569 |
| Restricted Assets: | | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 112,993 | 0 | 0 | 0 | 0 | 112,993 |
| Total Assets | \$44,942,471 | \$10,315,226 | \$5,557,411 | \$13,547,672 | \$4,176,567 | \$78,539,347 |
| Liabilities | | | | | | |
| Accounts Payable | \$185,468 | \$0 | \$0 | \$46,644 | \$1,907 | \$234,019 |
| Retainage Payable | 0 | 0 | 0 | 39,789 | 0 | 39,789 |
| Accrued Wages | 676,022 | 0 | 0 | 0 | 0 | 676,022 |
| Matured Compensated Absences | 365,401 | 0 | 0 | 0 | 0 | 365,401 |
| Intergovernmental Payable | 400,842 | 0 | 0 | 0 | 0 | 400,842 |
| Contracts Payable | 0 | 0 | 0 | 249,190 | 0 | 249,190 |
| Payable from Restricted Assets: | | | | | | |
| Intergovernmental Payable | 5,795 | 0 | 0 | 0 | 0 | 5,795 |
| Deposits Held and Due to Others | 96,271 | 0 | 0 | 0 | 0 | 96,271 |
| Total Liabilities | 1,729,799 | 0 | 0 | 335,623 | 1,907 | 2,067,329 |
| Deferred Inflows of Resources | | | | | | |
| Property Taxes | 3,100,790 | 0 | 0 | 0 | 251,417 | 3,352,207 |
| Payments in Lieu of Taxes | 0 | 4,326,920 | 0 | 0 | 277,866 | 4,604,786 |
| Unavailable Revenue | 2,213,383 | 0 | 5,121,802 | 47,767 | 197,758 | 7,580,710 |
| Total Deferred Inflows of Resources | 5,314,173 | 4,326,920 | 5,121,802 | 47,767 | 727,041 | 15,537,703 |
| Fund Balances | | | | | | |
| Nonspendable | 1,396,727 | 0 | 0 | 0 | 0 | 1,396,727 |
| Restricted | 0 | 5,988,306 | 435,609 | 0 | 3,446,229 | 9,870,144 |
| Committed | 1,238,017 | 0 | 0 | 2,962,854 | 1,390 | 4,202,261 |
| Assigned | 9,261,741 | 0 | 0 | 10,201,428 | 0 | 19,463,169 |
| Unassigned | 26,002,014 | 0 | 0 | 0 | 0 | 26,002,014 |
| Total Fund Balances | 37,898,499 | 5,988,306 | 435,609 | 13,164,282 | 3,447,619 | 60,934,315 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$44,942,471 | \$10,315,226 | \$5,557,411 | \$13,547,672 | \$4,176,567 | \$78,539,347 |

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, 2021*

Total Governmental Fund Balances \$60,934,315

*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. 84,319,316

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 | 354,801 |
| Intergovernmental | 324,241 |
| Special Assessments | 5,169,569 |
| Municipal Income Taxes | 1,732,099 |
| | 7,580,710 |

Total 7,580,710

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. 1,492,846

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental fund, an interest expenditure is reported when due. (33,144)

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

| | |
|-----------------------------|--------------|
| Net OPEB Asset | 1,125,906 |
| Deferred Outflows - Pension | 5,164,349 |
| Deferred Inflows - Pension | (8,615,606) |
| Net Pension Liability | (35,512,914) |
| Deferred Outflows - OPEB | 2,806,148 |
| Deferred Inflows - OPEB | (5,825,149) |
| Net OPEB Liability | (3,960,168) |
| | (44,817,434) |

Total (44,817,434)

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

| | |
|--------------------------|--------------|
| Special Assessment Bonds | (4,295,437) |
| General Obligation Bonds | (8,300,058) |
| Compensated Absences | (3,963,512) |
| | (16,559,007) |

Total (16,559,007)

Net Position of Governmental Activities \$92,917,602

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, 2021

| | General | Eaton TIF | Bond Retirement | Capital Improvements | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|--------------------|-------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | |
| Property Taxes | \$2,831,433 | \$0 | \$0 | \$0 | \$229,575 | \$3,061,008 |
| Municipal Income Taxes | 37,649,248 | 0 | 0 | 0 | 0 | 37,649,248 |
| Charges for Services | 2,268,254 | 0 | 0 | 0 | 0 | 2,268,254 |
| Fines, Licenses and Permits | 1,876,379 | 0 | 0 | 0 | 3,780 | 1,880,159 |
| Intergovernmental | 435,471 | 0 | 0 | 76,000 | 1,547,938 | 2,059,409 |
| Admission Taxes | 298,442 | 0 | 0 | 0 | 0 | 298,442 |
| Lodging Taxes | 481,643 | 0 | 0 | 0 | 0 | 481,643 |
| Franchise Taxes | 123,657 | 0 | 0 | 0 | 0 | 123,657 |
| Payments in Lieu of Taxes | 0 | 4,300,568 | 0 | 0 | 272,949 | 4,573,517 |
| Special Assessments | 0 | 0 | 448,439 | 21,137 | 38,469 | 508,045 |
| Interest | 159,885 | 0 | 0 | 0 | 22,552 | 182,437 |
| Other | 226,025 | 0 | 0 | 0 | 1,485 | 227,510 |
| <i>Total Revenues</i> | <u>46,350,437</u> | <u>4,300,568</u> | <u>448,439</u> | <u>97,137</u> | <u>2,116,748</u> | <u>53,313,329</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General Government | 9,012,064 | 4,300,567 | 0 | 0 | 272,949 | 13,585,580 |
| Public Safety: | | | | | | |
| Police | 11,136,678 | 0 | 0 | 0 | 327,540 | 11,464,218 |
| Fire | 8,532,069 | 0 | 0 | 0 | 105,094 | 8,637,163 |
| Public Services | 9,404,130 | 0 | 0 | 0 | 225 | 9,404,355 |
| Culture and Recreation | 2,091,814 | 0 | 0 | 0 | 395 | 2,092,209 |
| Building and | | | | | | |
| Community Development | 1,644,787 | 0 | 0 | 0 | 0 | 1,644,787 |
| Capital Outlay | 0 | 0 | 0 | 2,629,220 | 632,195 | 3,261,415 |
| Debt Service: | | | | | | |
| Principal Retirement | 0 | 0 | 3,080,000 | 0 | 0 | 3,080,000 |
| Interest and Fiscal Charges | 0 | 0 | 472,513 | 0 | 0 | 472,513 |
| <i>Total Expenditures</i> | <u>41,821,542</u> | <u>4,300,567</u> | <u>3,552,513</u> | <u>2,629,220</u> | <u>1,338,398</u> | <u>53,642,240</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>4,528,895</u> | <u>1</u> | <u>(3,104,074)</u> | <u>(2,532,083)</u> | <u>778,350</u> | <u>(328,911)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Sale of Capital Assets | 133,955 | 0 | 0 | 2,707,576 | 0 | 2,841,531 |
| Transfers In | 0 | 0 | 3,300,000 | 1,000,000 | 0 | 4,300,000 |
| Transfers Out | (4,300,000) | 0 | 0 | 0 | 0 | (4,300,000) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(4,166,045)</u> | <u>0</u> | <u>3,300,000</u> | <u>3,707,576</u> | <u>0</u> | <u>2,841,531</u> |
| <i>Net Change in Fund Balances</i> | 362,850 | 1 | 195,926 | 1,175,493 | 778,350 | 2,512,620 |
| <i>Fund Balances Beginning of Year</i> | <u>37,535,649</u> | <u>5,988,305</u> | <u>239,683</u> | <u>11,988,789</u> | <u>2,669,269</u> | <u>58,421,695</u> |
| <i>Fund Balances End of Year</i> | <u>\$37,898,499</u> | <u>\$5,988,306</u> | <u>\$435,609</u> | <u>\$13,164,282</u> | <u>\$3,447,619</u> | <u>\$60,934,315</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, 2021*

| | | |
|---|-------------|---------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$2,512,620 |
| <i>Amounts reported for governmental activities in the statement of activities are different because</i> | | |
| 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 | 3,287,218 | |
| Current Year Depreciation | (4,954,216) | |
| Total | | (1,666,998) |
| 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. | | |
| | | (2,196,836) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Delinquent Property Taxes | 236,570 | |
| Intergovernmental | 28,948 | |
| Special Assessments | (469,576) | |
| Municipal Income Taxes | 63,551 | |
| Total | | (140,507) |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | | |
| | | 3,080,000 |
| 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 | 5,862 | |
| Amortization of Premium | 124,020 | |
| Total | | 129,882 |
| 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. | | |
| | | (338,638) |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. | | |
| Pension | 3,472,661 | |
| OPEB | 47,348 | |
| Total | | 3,520,009 |
| Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities. | | |
| Pension | (1,435,530) | |
| OPEB | 6,933,797 | |
| Total | | 5,498,267 |
| 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. | | |
| | | 488,666 |
| <i>Change in Net Position of Governmental Activities</i> | | \$10,886,465 |

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, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,800,000 | \$2,800,000 | \$2,831,433 | \$31,433 |
| Municipal Income Taxes | 35,813,025 | 36,493,011 | 37,542,437 | 1,049,426 |
| Charges for Services | 2,378,600 | 2,378,600 | 2,260,288 | (118,312) |
| Fines, Licenses and Permits | 1,340,000 | 1,259,860 | 1,876,379 | 616,519 |
| Intergovernmental | 341,347 | 341,347 | 429,515 | 88,168 |
| Rentals | 0 | 5,000 | 4,800 | (200) |
| Admission Taxes | 300,000 | 300,000 | 306,879 | 6,879 |
| Lodging Taxes | 280,000 | 280,000 | 459,271 | 179,271 |
| Franchise Taxes | 120,000 | 120,000 | 125,473 | 5,473 |
| Interest | 841,000 | 841,000 | 482,874 | (358,126) |
| Other | 147,400 | 147,400 | 228,690 | 81,290 |
| <i>Total Revenues</i> | <u>44,361,372</u> | <u>44,966,218</u> | <u>46,548,039</u> | <u>1,581,821</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 8,955,459 | 10,080,459 | 9,165,409 | 915,050 |
| Public Safety: | | | | |
| Police | 12,990,548 | 13,025,548 | 11,471,452 | 1,554,096 |
| Fire | 9,434,818 | 9,484,818 | 8,979,958 | 504,860 |
| Public Services | 12,418,136 | 12,418,136 | 10,863,324 | 1,554,812 |
| Culture and Recreation | 3,513,031 | 3,513,031 | 2,401,284 | 1,111,747 |
| Building and Community Development | 2,326,702 | 2,361,702 | 1,676,854 | 684,848 |
| <i>Total Expenditures</i> | <u>49,638,694</u> | <u>50,883,694</u> | <u>44,558,281</u> | <u>6,325,413</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(5,277,322)</u> | <u>(5,917,476)</u> | <u>1,989,758</u> | <u>7,907,234</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 80,000 | 80,000 | 133,955 | 53,955 |
| Advances In | 0 | 0 | 93,500 | 93,500 |
| Transfers Out | (4,000,000) | (4,300,000) | (4,300,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(3,920,000)</u> | <u>(4,220,000)</u> | <u>(4,072,545)</u> | <u>147,455</u> |
| <i>Net Change in Fund Balance</i> | <u>(9,197,322)</u> | <u>(10,137,476)</u> | <u>(2,082,787)</u> | <u>8,054,689</u> |
| <i>Fund Balance Beginning of Year</i> | 28,818,229 | 28,818,229 | 28,818,229 | 0 |
| Prior Year Encumbrances Appropriated | 2,199,134 | 2,199,134 | 2,199,134 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$21,820,041</u> | <u>\$20,879,887</u> | <u>\$28,934,576</u> | <u>\$8,054,689</u> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eaton Tax Increment Financing Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|--------------------|--------------------|--------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Payments in Lieu of Taxes | \$4,200,000 | \$4,300,000 | \$4,300,568 | \$568 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 4,300,000 | 4,301,000 | 4,300,567 | 433 |
| <i>Net Change in Fund Balance</i> | (100,000) | (1,000) | 1 | 1,001 |
| <i>Fund Balance Beginning of Year</i> | 5,988,305 | 5,988,305 | 5,988,305 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$5,888,305</u> | <u>\$5,987,305</u> | <u>\$5,988,306</u> | <u>\$1,001</u> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Fund Net Position
Proprietary Fund
December 31, 2021

| | <u>Internal Service</u> |
|--|---------------------------|
| Assets | |
| <i>Current Assets</i> | |
| Equity in Pooled Cash and Cash Equivalents | \$1,500,000 |
| Liabilities | |
| <i>Current Liabilities</i> | |
| Claims Payable | <u>7,154</u> |
| Net Position | |
| Unrestricted | <u><u>\$1,492,846</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, 2021

| | Internal Service |
|--|--------------------|
| Operating Revenues | |
| Charges for Services | \$136,221 |
| Operating Expenses | |
| Claims | 136,221 |
| Change in Worker's Compensation Estimate | (488,666) |
| <i>Total Expenditures</i> | <i>(352,445)</i> |
| <i>Change in Net Position</i> | 488,666 |
| <i>Net Position Beginning of Year</i> | <i>1,004,180</i> |
| <i>Net Position End of Year</i> | <i>\$1,492,846</i> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2021

| | Internal Service |
|--|------------------|
| Increase (Decrease) in Cash and Cash Equivalents | |
| Cash Flows from Operating Activities | |
| Cash Received from Interfund Services Provided | \$136,221 |
| Cash Payments for Claims | (136,221) |
| <i>Increase in Cash and Cash Equivalents</i> | 0 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | 1,500,000 |
| <i>Cash and Cash Equivalents End of Year</i> | \$1,500,000 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | |
| Operating Income | \$488,666 |
| Adjustments: | |
| Decrease in Claims Payable | (488,666) |
| <i>Net Cash Provided by Operating Activities</i> | \$0 |
| See accompanying notes to the basic financial statements | |

City of Beachwood, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

| | |
|---|-------------------|
| Assets | |
| Cash and Cash Equivalents in Segregated Accounts | \$2,375 |
| Special Assessments Receivable | <u>1,506,848</u> |
| <i>Total Assets</i> | 1,509,223 |
| Liabilities | |
| Intergovernmental Payable | <u>1,509,223</u> |
| Net Position | |
| Restricted for Individuals, Organizations and Other Governments | <u><u>\$0</u></u> |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

| | |
|---|-----------|
| Additions | |
| Fines and Forfeitures for Other Governments | \$237,644 |
| Special Assessment Collections for Distribution | 6,127 |
| <i>Total Additions</i> | 243,771 |
| Deductions | |
| Distributions to Other Governments | 243,771 |
| <i>Change in Fiduciary Net Position</i> | 0 |
| <i>Net Position Beginning of Year</i> | 0 |
| <i>Net Position End of Year</i> | \$0 |

See accompanying notes to the basic financial statements

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

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

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

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

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

During 2020 the City formed the Beachwood Community Improvement Corporation (Corporation). The Corporation was formed to advance, encourage, and promote the industrial, economic, commercial, and civic development of the City of Beachwood, Ohio, by acting as a designated agency of the City, for the industrial, commercial, distribution and research development in such political subdivision in accordance with Section 1724.10 of the Ohio Revised Code. As of December 31, 2021, the Corporation has not developed and adopted bylaws. Once the bylaws of the Corporation have been adopted, the City will complete the analysis in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB Statement No. 39 and 61.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 2 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the City that are governmental and those that are considered business-type. The City, however, has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

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

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

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

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

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

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City's fiduciary funds are custodial funds. The City's custodial funds account for special assessments collected on behalf of the Energy Special Improvement District fund and the Village of Orange special assessment and the collection and distribution of court fines and forfeitures.

C. Measurement Focus

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within sixty days of year-end.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, OPEB and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2021, but which were levied to finance 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, special assessments, municipal income taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Government Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Note 13 and 14)

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

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

E. Cash and Cash Equivalents

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

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

During fiscal year 2021, investments were limited to U.S. treasury notes, commercial paper, negotiable certificate of deposits, municipal bonds, federal farm credit bonds, federal home loan bank bonds, federal home loan mortgage bonds, federal national mortgage association bonds, and STAR Ohio.

Investments are reported at fair value, which is based on quoted market price or current price, except for STAR Ohio.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

During 2021, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general fund during 2021 amounted to \$159,885, which includes \$48,836 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, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

G. Inventory

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

H. Restricted Assets

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

I. Bond Premium

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

J. Compensated Absences

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

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

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

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

K. Fund Balance

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

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

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

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. City Council assigned fund balances to cover a gap between estimated revenue and appropriations in 2022’s budget.

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

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

L. Capital Assets

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

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

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

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds are recognized as a liability on the fund financial statements when due.

N. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for police, street lights and improvements to the Mayor's court. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

O. Internal Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Estimates

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Q. Budgetary Process

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

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

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. Unearned Revenue

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 3 - Receivables

Receivables at December 31, 2021, consisted primarily of municipal income taxes, property, admissions, lodging, and franchise taxes, accounts, special assessments, loans, interest, and intergovernmental receivables arising from grants, entitlements, and shared revenues. All receivables are deemed collectible in full. All receivables except property taxes, loans and special assessments are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Special assessments expected to be collected in more than one-year amount to \$4,658,221 in the Bond Retirement Fund and \$21,389 in the Capital Improvement Fund. At December 31, 2021 the amount of delinquent special assessments was \$153,422.

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2021 for real and public utility property taxes represents collections of 2020 taxes.

2021 real property taxes are levied after October 1, 2021 on the assessed value as of January 1, 2021, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2021 real property taxes are collected in and intended to finance 2022.

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. 2021 public utility property taxes which became a lien December 31, 2020, are levied after October 1, 2021, and collected in 2022 real property taxes.

The full tax rate for all City operations for the year ended December 31, 2021, was \$4.00 per 1,000 of assessed value. The assessed values of real and public utility property upon which 2021 property tax receipts were based are as follows:

| | |
|-------------------------|-----------------------------|
| Real Property | \$896,984,520 |
| Public Utility Property | <u>15,492,610</u> |
| Total Valuation | <u><u>\$912,477,130</u></u> |

The County Fiscal Officer collects property taxes on behalf of all taxing districts in the county, including the City of Beachwood. The County Fiscal Officer periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2021 and for which there is an enforceable legal claim. In the general and police pension funds, the portion of the receivable not levied to finance 2021 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

B. Municipal Income Taxes

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

Pursuant to section 715.84 of the Ohio Revised Code, the City has created a Municipal Utility District (MUD) and has entered into a related cost sharing agreement with the City of Cleveland. The contract provides for the participants to distribute municipal income tax generated in the MUD among the contracting parties. According to the contract, after administrative fees, 50 percent will be allocated to the City of Cleveland. During 2021, the City collected \$5,418,496 in income tax revenue from the MUD and distributed \$2,709,248 to the City of Cleveland.

Pursuant to section 715.84 of the Ohio Revised Code, the City has created a Municipal Utility District (MUD) and has entered into a related cost sharing agreement with the City of Cleveland and the City of Warrensville Heights. The contract provides for the participants to distribute municipal income tax generated in the MUD among the contracting parties. According to the contract, after administrative fees, 25 percent will be allocated to the City of Cleveland and 25 percent will be allocated to the City of Warrensville Heights. During 2021, the City collected \$3,194,328 in income tax revenue from the MUD and distributed \$798,582 to the City of Cleveland and \$798,582 to the City of Warrensville Heights.

C. Intergovernmental Receivable

A summary of intergovernmental receivables follows:

| | |
|------------------------|-------------------------|
| Gasoline Tax | \$362,455 |
| Homestead and Rollback | 105,522 |
| Other | <u>5,655</u> |
| Total | <u><u>\$473,632</u></u> |

D. Payments in Lieu of Taxes

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

E. Loans Receivable

The City is reporting loans receivable of \$3,106,792 in the capital projects fund at December 31, 2021. This consists of two loans the City provided as financing options for the sale of two buildings.

| Property Sold | Maturity Year | Loan Receivable at 12/31/2021 |
|-----------------------------|------------------|----------------------------------|
| 23865 Mercantile Road | 2028 | \$567,368 |
| North end of Service Center | 2031 | 2,539,424 |
| Total | | \$3,106,792 |

Note 4 - Budgetary Basis of Accounting

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

The major differences between the budget basis and the GAAP basis are:

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

| Net Change in Fund Balance | | |
|---|---------------|-----------|
| | General | Eaton TIF |
| GAAP Basis | \$362,850 | \$1 |
| Net Adjustments for Revenue Accruals | (308,847) | 0 |
| Beginning Fair Value Adjustment for Investments | 226,270 | 0 |
| Ending Fair Value Adjustment for Investments | 280,179 | 0 |
| Net Adjustments for Expenditure Accruals | (38,979) | 0 |
| Encumbrances | (2,697,760) | 0 |
| Advances In | 93,500 | 0 |
| Budget Basis | (\$2,082,787) | \$1 |

Note 5 – Interfund Transfers and Balances

A transfer of \$3,300,000 and \$1,000,000 was made during calendar year 2021 from the general fund to the bond retirement and capital projects funds. The transfer was to move money for the payment of bonds and notes and the transfer to the capital projects fund was to move money for capital projects.

Note 6 - Compensated Absences

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

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

Note 7 - Jointly Governed Organization

A. Northeast Ohio Public Energy Council

The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 235 communities who have been authorized by ballot to purchase energy on

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Beachwood did not contribute to NOPEC during 2021. Financial information can be obtained by contacting NOPEC, 31360 Solon Road, Suite 33, Solon, Ohio 44139.

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

The City of Beachwood, Ohio Energy Special Improvement District, Inc. (the “District”) is a jointly governed organization that is to enhance the value of properties within the District and improve the environment by developing and assisting in developing the District special energy improvement projects. For 2021, the City did not contribute to the District. For more information contact Sandra H. Noll, President, at SJL Management Group, 723 South Muller Road, Fairlawn, Ohio, 44333.

C. Regional Income Tax Agency

The Regional Income Tax Agency (RITA) is a regional council of governments formed to establish a central collection facility for the purpose of administering the income tax laws of the members and for the purpose of collection income taxes on behalf of each member. RITA currently has approximately 350 members in the council of governments. Each member has one representative to the council of governments and is entitled to one vote on items under consideration. RITA is administered by a nine-member board of trustees elected by the members of the council of governments. The board exercises total control over RITA’s operation including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the council. Since 2021 information is not yet available, 2020 information is provided. For 2020, the City paid RITA approximately \$401,765 for income tax collection services.

Note 8 - Deposits and Investments

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

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

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Investments

Investments are reported at fair value. As of December 31, 2021, the City had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Moody's | Percent of Total Investments |
|----------------------------------|-----------------------|--------------------|---------|------------------------------------|
| Net Asset Value (NAV) Per Share: | | | | |
| STAR Ohio | \$23,905 | Less than 6 months | AAAm* | N/A |
| Fair Value - Level Two Inputs: | | | | |
| U.S. Treasury Notes | 1,008,550 | Less than 1 year | N/A | N/A |
| Commercial Paper | 3,986,792 | Less than 1 year | P-1 | 7.92% |
| Municipal Bonds | | | | |
| Akron Ohio CTFS | 996,943 | Less than 5 years | A1 | 1.99% |
| Bedford Heights BANS | 578,375 | Less than 1 year | AA2 | 1.15% |
| Berea Ohio BANS | 501,385 | Less than 1 year | A1* | 1.00% |
| Bratenahl BANS | 1,702,669 | Less than 1 year | NR | 3.39% |
| Butler Hospital | 168,582 | Less than 5 years | A3 | 0.34% |
| Canton Economic BANS | 2,003,340 | Less than 6 months | N/A | 3.99% |
| Cloverleaf Ohio | 196,657 | Less than 5 years | A1 | 0.39% |
| Cuyahoga County Ohio BANS | 300,037 | Less than 1 year | AA2 | 0.60% |
| Hamilton Ohio | 99,622 | Less than 5 years | AA* | 0.20% |
| Huber Heights BANS | 504,735 | Less than 1 year | AA* | 1.01% |
| John Carroll University | 250,155 | Less than 5 years | Aa3 | 0.50% |

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

| Measurement/Investment | Measurement | | | Moody's | Percent of |
|---|----------------------------|----------------------|------|---------------------------|-------------|
| | Amount | Maturity | | | Total |
| | | | | | Investments |
| Kent State University | \$510,470 | Less than 5 years | Aa3 | | 1.02% |
| Lyndhurst Ohio BANS | 1,200,936 | Less than 6 months | NR | | 2.39% |
| Marion Ohio | 684,707 | Less than 5 years | AA* | | 1.36% |
| Mayfield Heights Ohio | 1,002,370 | Less than 6 months | NR | | 2.00% |
| Milford Ohio | 548,170 | Less than 1 year | AA* | | 1.09% |
| Montgomery Ohio | 562,850 | Less than 5 years | AA** | | 1.12% |
| New Albany Community Authority | 398,325 | Less than 5 years | AA3 | | 0.79% |
| Ohio Capital Fund | 701,764 | Less than 6 months | AA-* | | 1.40% |
| Springfield Ohio BANS | 1,001,500 | Less than 6 months | NR | | 2.00% |
| Toledo Ohio | 1,004,709 | Less than 5 years | A2 | | 2.00% |
| Toledo Ohio City School | 276,885 | Less than 5 years | Aa2 | | 0.55% |
| Trumbull County Ohio | 1,052,489 | Less than 5 years | NR | | 2.10% |
| Trumbull County Waterline BANS | 250,128 | Less than 1 year | NR | | 0.50% |
| Warrensville Heights BANS | 1,003,400 | Less than 6 months | NR | | 2.00% |
| Woodmere BANS | 290,966 | Less than 1 year | A1* | | 0.58% |
| Negotiable Certificate of Deposits | 4,088,706 | Less than five years | N/A | | 8.15% |
| Federal Farm Credit Bonds | 2,933,260 | Less than five years | Aaa | | 5.84% |
| Federal National Mortgage Association Bonds | 1,908,173 | Less than five years | Aaa | | N/A |
| Federal Home Loan Mortgage Bonds | 2,982,420 | Less than five years | Aaa | | 5.94% |
| Federal Home Loan Bank Bonds | 15,473,926 | Less than five years | Aaa | | 30.83% |
| Total Fair Value - Level Two Inputs | <u>50,173,996</u> | | | | |
| Total Investments | <u><u>\$50,197,901</u></u> | | | *Standard & Poor's rating | |

**Fitch rating
NR = Not Rated

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2021.

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

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

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

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

Note 9 - Contingencies

A. Grants

The City receives financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the City at December 31, 2021.

B. Litigation

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

Note 10 – Tax Abatements

Community Reinvestment Area (CRA)

Pursuant to Ohio Revised Code sections 3735.65 through 3735.70, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, and equal 50 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient's tax bill. For 2021, the value of the taxes being abated was \$16,091.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 11 – Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

| | Balance 12/31/2020 | Additions | Deletions | Balance 12/31/2021 |
|--|-----------------------|----------------------|----------------------|-----------------------|
| Governmental Activities | | | | |
| <i>Capital Assets, not being depreciated</i> | | | | |
| Land | \$14,235,641 | \$0 | (\$1,353,000) | \$12,882,641 |
| Construction in Progress | 0 | 440,406 | 0 | 440,406 |
| <i>Total Capital Assets, not being depreciated</i> | <u>14,235,641</u> | <u>440,406</u> | <u>(1,353,000)</u> | <u>13,323,047</u> |
| <i>Capital Assets, being depreciated</i> | | | | |
| Land Improvements | 7,968,645 | 0 | 0 | 7,968,645 |
| Buildings and Improvements | 55,737,794 | 8,141 | (1,071,675) | 54,674,260 |
| Furniture and Equipment | 6,672,877 | 240,818 | (286,364) | 6,627,331 |
| Vehicles | 10,277,168 | 1,421,651 | (618,406) | 11,080,413 |
| Infrastructure | | | | |
| Streets | 68,908,015 | 992,618 | (330,133) | 69,570,500 |
| Sanitary Sewers | 2,519,136 | 0 | 0 | 2,519,136 |
| Storm Sewers | 2,392,601 | 168,828 | 0 | 2,561,429 |
| I-Net Fiber | 823,677 | 14,756 | 0 | 838,433 |
| Traffic Signals | 614,055 | 0 | 0 | 614,055 |
| <i>Total Capital Assets, being depreciated</i> | <u>155,913,968</u> | <u>2,846,812</u> | <u>(2,306,578)</u> | <u>156,454,202</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | (6,677,209) | (375,982) | 0 | (7,053,191) |
| Buildings and Improvements | (16,312,708) | (1,108,406) | 282,736 | (17,138,378) |
| Furniture and Equipment | (5,116,327) | (287,253) | 233,910 | (5,169,670) |
| Vehicles | (7,636,237) | (690,693) | 615,963 | (7,710,967) |
| Infrastructure | | | | |
| Streets | (44,294,079) | (2,367,726) | 330,133 | (46,331,672) |
| Sanitary Sewers | (945,064) | (50,383) | 0 | (995,447) |
| Storm Sewers | (836,069) | (47,852) | 0 | (883,921) |
| I-Net Fiber | (74,925) | (16,474) | 0 | (91,399) |
| Traffic Signals | (73,841) | (9,447) | 0 | (83,288) |
| <i>Total Accumulated Depreciation</i> | <u>(81,966,459)</u> | <u>(4,954,216) *</u> | <u>1,462,742</u> | <u>(85,457,933)</u> |
| <i>Total Capital Assets being depreciated, Net</i> | <u>73,947,509</u> | <u>(2,107,404)</u> | <u>(843,836)</u> | <u>70,996,269</u> |
| <i>Governmental Activities Capital Assets, Net</i> | <u>\$88,183,150</u> | <u>(\$1,666,998)</u> | <u>(\$2,196,836)</u> | <u>\$84,319,316</u> |

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

*Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------------------|---------------------------|
| General Government | \$530,323 |
| Public Safety: | |
| Police | 171,812 |
| Fire | 565,510 |
| Public Services | 3,225,487 |
| Culture and Recreation | 448,373 |
| Building and Community Development | <u>12,711</u> |
| Total Depreciation Expense | <u><u>\$4,954,216</u></u> |

Note 12 – Fund Balances

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

| Fund Balances | General | Eaton TIF | Bond Retirement | Capital Improvements | Other Governmental Funds | Total Governmental Activities |
|----------------------------|---------------------|--------------------|--------------------|-------------------------|--------------------------------|-------------------------------------|
| Nonspendable: | | | | | | |
| Prepays | \$552,394 | \$0 | \$0 | \$0 | \$0 | \$552,394 |
| Inventory | 833,406 | 0 | 0 | 0 | 0 | 833,406 |
| Unclaimed Funds | 10,927 | 0 | 0 | 0 | 0 | 10,927 |
| <i>Total Nonspendable</i> | <u>1,396,727</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,396,727</u> |
| Restricted for: | | | | | | |
| Street Maintenance | 0 | 0 | 0 | 0 | 2,492,042 | 2,492,042 |
| Mayor's Court | | | | | | |
| Computers | 0 | 0 | 0 | 0 | 57,514 | 57,514 |
| Drug and Alcohol | | | | | | |
| Enforcement | 0 | 0 | 0 | 0 | 157,955 | 157,955 |
| TIF Agreements | 0 | 5,988,306 | 0 | 0 | 0 | 5,988,306 |
| Police Pension | 0 | 0 | 0 | 0 | 21,239 | 21,239 |
| Street Lighting | 0 | 0 | 0 | 0 | 110,447 | 110,447 |
| COVID Relief | 0 | 0 | 0 | 0 | 607,032 | 607,032 |
| Bond Retirement | 0 | 0 | 435,609 | 0 | 0 | 435,609 |
| <i>Total Restricted</i> | <u>0</u> | <u>5,988,306</u> | <u>435,609</u> | <u>0</u> | <u>3,446,229</u> | <u>9,870,144</u> |
| Committed to: | | | | | | |
| Capital Improvement | 0 | 0 | 0 | 2,962,854 | 0 | 2,962,854 |
| Dog Park | 0 | 0 | 0 | 0 | 1,390 | 1,390 |
| Purchases on Order for: | | | | | | |
| General Government | 32,976 | 0 | 0 | 0 | 0 | 32,976 |
| Police | 86,739 | 0 | 0 | 0 | 0 | 86,739 |
| Fire | 266,446 | 0 | 0 | 0 | 0 | 266,446 |
| Service | 819,054 | 0 | 0 | 0 | 0 | 819,054 |
| Recreation | 22,619 | 0 | 0 | 0 | 0 | 22,619 |
| Building | 10,183 | 0 | 0 | 0 | 0 | 10,183 |
| <i>Total Committed</i> | <u>1,238,017</u> | <u>0</u> | <u>0</u> | <u>2,962,854</u> | <u>1,390</u> | <u>4,202,261</u> |
| Assigned to: | | | | | | |
| Capital Improvement | 0 | 0 | 0 | 10,201,428 | 0 | 10,201,428 |
| Purchases on Order for: | | | | | | |
| Legal Services | 48,813 | 0 | 0 | 0 | 0 | 48,813 |
| Computer Equipment | 14,216 | 0 | 0 | 0 | 0 | 14,216 |
| Utilities | 249,668 | 0 | 0 | 0 | 0 | 249,668 |
| Pension | 274,475 | 0 | 0 | 0 | 0 | 274,475 |
| Gasoline | 23,065 | 0 | 0 | 0 | 0 | 23,065 |
| Vehicle Maintenance | 131,941 | 0 | 0 | 0 | 0 | 131,941 |
| Other | 521,666 | 0 | 0 | 0 | 0 | 521,666 |
| 2022 Appropriations Exceed | | | | | | |
| Estimated Revenue | 7,997,897 | 0 | 0 | 0 | 0 | 7,997,897 |
| <i>Total Assigned</i> | <u>9,261,741</u> | <u>0</u> | <u>0</u> | <u>10,201,428</u> | <u>0</u> | <u>19,463,169</u> |
| Unassigned | <u>26,002,014</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>26,002,014</u> |
| Total Fund Balances | <u>\$37,898,499</u> | <u>\$5,988,306</u> | <u>\$435,609</u> | <u>\$13,164,282</u> | <u>\$3,447,619</u> | <u>\$60,934,315</u> |

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Note 13 - Defined Benefit Pension Plans

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

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

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

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

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

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

| | State and Local |
|--|--------------------|
| 2021 Statutory Maximum Contribution Rates | |
| Employer | 14.0 % |
| Employee * | 10.0 % |
| 2021 Actual Contribution Rates | |
| Employer: | |
| Pension ** | 14.0 % |
| Post-employment Health Care Benefits ** | 0.0 |
| Total Employer | 14.0 % |
| Employee | 10.0 % |

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

For 2021, the City's contractually required contribution was \$1,399,211 for the traditional plan, \$0 for the combined plan and \$2,993 for the member-directed plan. Of these amounts, \$158,100 is reported as an intergovernmental payable for the traditional plan, \$0 for the combined plan, and \$316 for the member-directed plan.

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

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

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

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

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

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

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

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

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

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

| | Police | Firefighters |
|--|---------|--------------|
| 2021 Statutory Maximum Contribution Rates | | |
| Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |
| 2021 Actual Contribution Rates | | |
| Employer: | | |
| Pension | 19.00 % | 23.50 % |
| Post-employment Health Care Benefits | 0.50 | 0.50 |
| Total Employer | 19.50 % | 24.00 % |
| Employee | 12.25 % | 12.25 % |

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$2,073,450 for 2021. Of this amount, \$230,870 is reported as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F’s total pension liability was measured as of December 31, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. The City’s proportion of the net pension liability (asset) was based on the City’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City’s defined benefit pension plans:

| | Traditional Plan | Combined Plan | OP&F | Total |
|--|------------------|---------------|--------------|--------------|
| Proportion of the Net Pension Liability/Asset: | | | | |
| Current Measurement Date | 0.0677520% | 0.0000000% | 0.3737712% | |
| Prior Measurement Date | 0.0747170% | 0.0005160% | 0.3878142% | |
| Change in Proportionate Share | -0.0069650% | -0.0005160% | -0.0140430% | |
| Proportionate Share of the: | | | | |
| Net Pension Liability | \$10,032,596 | \$0 | \$25,480,318 | \$35,512,914 |
| Pension Expense | (562,808) | 2,294 | 1,996,044 | 1,435,530 |

City of Beachwood, Ohio
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For the Year Ended December 31, 2021

2021 pension expense for the member-directed defined contribution plan was \$2,138. The aggregate pension expense for all pension plans was \$1,437,669 for 2021.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|---|---------------------------|------------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | \$0 | \$0 | \$1,065,164 | \$1,065,164 |
| Changes of assumptions | 0 | 0 | 427,317 | 427,317 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 0 | 13,083 | 186,124 | 199,207 |
| City contributions subsequent to the measurement date | 1,399,211 | 0 | 2,073,450 | 3,472,661 |
| Total Deferred Outflows of Resources | \$1,399,211 | \$13,083 | \$3,752,055 | \$5,164,349 |
| Deferred Inflows of Resources | | | | |
| Differences between expected and actual experience | \$419,672 | \$0 | \$992,637 | \$1,412,309 |
| Net difference between projected and actual earnings on pension plan investments | 3,910,413 | 0 | 1,235,964 | 5,146,377 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,062,405 | 0 | 994,515 | 2,056,920 |
| Total Deferred Inflows of Resources | \$5,392,490 | \$0 | \$3,223,116 | \$8,615,606 |

\$3,472,661 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| | OPERS Traditional Plan | OPERS Combined Plan | OP&F | Total |
|--------------------------|------------------------------|---------------------------|----------------------|----------------------|
| Year Ending December 31: | | | | |
| 2022 | (\$2,390,260) | \$2,294 | (\$229,604) | (\$2,617,570) |
| 2023 | (874,889) | 2,294 | 279,417 | (593,178) |
| 2024 | (1,594,017) | 2,294 | (1,266,824) | (2,858,547) |
| 2025 | (533,324) | 2,294 | (283,295) | (814,325) |
| 2026 | 0 | 2,294 | (44,205) | (41,911) |
| Thereafter | 0 | 1,613 | 0 | 1,613 |
| Total | (\$5,392,490) | \$13,083 | (\$1,544,511) | (\$6,923,918) |

City of Beachwood, Ohio
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Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2020, are presented as follows:

| | <u>OPERS Traditional Plan</u> | <u>OPERS Combined Plan</u> |
|---|---|---|
| Wage Inflation | 3.25 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation | 3.25 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3 percent, simple | 3 percent, simple |
| Post-January 7, 2013 Retirees | .5 percent, simple through 2021, then 2.15 percent, simple | .5 percent, simple through 2021, then 2.15 percent, simple |
| Investment Rate of Return | 7.2 percent | 7.2 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.4 percent simple through 2020 then 2.15 simple to .5 percent simple through 2021 then 2.15 percent simple.

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

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage,

City of Beachwood, Ohio
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adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------|-------------------|--|
| Fixed Income | 25.00 % | 1.32 % |
| Domestic Equities | 21.00 | 5.64 |
| Real Estate | 10.00 | 5.39 |
| Private Equity | 12.00 | 10.42 |
| International Equities | 23.00 | 7.36 |
| Other investments | 9.00 | 4.75 |
| Total | 100.00 % | 5.43 % |

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net pension liability (asset): | | | |
| OPERS Traditional Plan | \$19,137,230 | \$10,032,596 | \$2,462,108 |

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results

City of Beachwood, Ohio
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are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2020, are presented as follows:

| | |
|----------------------------|--|
| Valuation Date | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent |
| Cost of Living Adjustments | 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent |

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2020, are summarized as follows:

City of Beachwood, Ohio
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| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------------------------|-------------------|--|
| Cash and Cash Equivalents | 0.00 % | 0.00 % |
| Domestic Equity | 21.00 | 4.10 |
| Non-US Equity | 14.00 | 4.80 |
| Private Markets | 8.00 | 6.40 |
| Core Fixed Income * | 23.00 | 0.90 |
| High Yield Fixed Income | 7.00 | 3.00 |
| Private Credit | 5.00 | 4.50 |
| U.S. Inflation Linked Bonds* | 17.00 | 0.70 |
| Midstream Energy Infrastructure | 5.00 | 5.60 |
| Real Assets | 8.00 | 5.80 |
| Gold | 5.00 | 1.90 |
| Private Real Estate | 12.00 | 5.30 |
| Total | 125.00 % | |

Note: Assumptions are geometric.

* levered 2.5x

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

Discount Rate The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

| | 1% Decrease (7.00%) | Discount Rate (8.00%) | 1% Increase (9.00%) |
|---|------------------------|--------------------------|------------------------|
| City's proportionate share of the net pension liability | \$35,471,867 | \$25,480,318 | \$17,118,401 |

City of Beachwood, Ohio
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Note 14 – Defined Benefit OPEB Plans

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

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

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

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

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

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1,

City of Beachwood, Ohio
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2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced later for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$855 for 2021. Of this amount, \$90 is reported as an intergovernmental payable.

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

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

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

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase

City of Beachwood, Ohio
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the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2021, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$46,493 for 2021. Of this amount, \$5,425 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|---------------|
| Proportion of the Net OPEB Liability/Asset: | | | |
| Current Measurement Date | 0.0631970% | 0.3737712% | |
| Prior Measurement Date | <u>0.0697890%</u> | <u>0.3878142%</u> | |
| Change in Proportionate Share | <u>-0.0065920%</u> | <u>-0.0140430%</u> | |
| Proportionate Share of the: | | | |
| Net OPEB Liability | \$0 | \$3,960,168 | \$3,960,168 |
| Net OPEB Asset | \$1,125,906 | \$0 | \$1,125,906 |
| OPEB Expense | (\$7,224,911) | \$291,114 | (\$6,933,797) |

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>OPERS</u> | <u>OP&F</u> | <u>Total</u> |
|---|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Changes of assumptions | \$553,508 | \$2,187,776 | \$2,741,284 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,376 | 16,140 | 17,516 |
| City contributions subsequent to the measurement date | <u>855</u> | <u>46,493</u> | <u>47,348</u> |
| Total Deferred Outflows of Resources | <u>\$555,739</u> | <u>\$2,250,409</u> | <u>\$2,806,148</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$1,016,123 | \$653,215 | \$1,669,338 |
| Changes of assumptions | 1,824,304 | 631,324 | 2,455,628 |
| Net difference between projected and actual earnings on OPEB plan investments | 599,673 | 147,167 | 746,840 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | <u>624,037</u> | <u>329,306</u> | <u>953,343</u> |
| Total Deferred Inflows of Resources | <u>\$4,064,137</u> | <u>\$1,761,012</u> | <u>\$5,825,149</u> |

\$47,348 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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| Year Ending December 31: | OPERS | OP&F | Total |
|--------------------------|----------------------|------------------|----------------------|
| 2022 | (\$1,913,952) | \$82,221 | (\$1,831,731) |
| 2023 | (1,264,047) | 117,071 | (1,146,976) |
| 2024 | (260,593) | 62,128 | (198,465) |
| 2025 | (70,661) | 89,748 | 19,087 |
| 2026 | 0 | 53,244 | 53,244 |
| Thereafter | 0 | 38,492 | 38,492 |
| Total | <u>(\$3,509,253)</u> | <u>\$442,904</u> | <u>(\$3,066,349)</u> |

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|--|---|
| Wage Inflation | 3.25 percent |
| Projected Salary Increases, including inflation | 3.25 to 10.75 percent including wage inflation |
| Single Discount Rate: | |
| Current measurement date | 6.00 percent |
| Prior Measurement date | 3.16 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate: | |
| Current measurement date | 2.00 percent |
| Prior Measurement date | 2.75 percent |
| Health Care Cost Trend Rate: | |
| Current measurement date | 8.5 percent, initial 3.50 percent, ultimate in 2035 |
| Prior Measurement date | 10.5 percent, initial 3.50 percent, ultimate in 2030 |
| Actuarial Cost Method | Individual Entry Age |

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Postretirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Arithmetic) |
|------------------------------|----------------------|---|
| Fixed Income | 34.00 % | 1.07 % |
| Domestic Equities | 25.00 | 5.64 |
| Real Estate Investment Trust | 7.00 | 6.48 |
| International Equities | 25.00 | 7.36 |
| Other investments | 9.00 | 4.02 |
| Total | 100.00 % | 4.43 % |

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB asset | (\$279,963) | (\$1,125,906) | (\$1,821,338) |

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|--|---------------|--|-------------|
| City's proportionate share of the net OPEB asset | (\$1,153,345) | (\$1,125,906) | \$1,095,204 |

Changes between the Measurement Date and the Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented as follows:

| | |
|----------------------------|--|
| Valuation Date | January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Investment Rate of Return | 8.0 percent |
| Projected Salary Increases | 3.75 percent to 10.5 percent |
| Payroll Growth | 3.25 percent |
| Blended discount rate: | |
| Current measurement date | 2.96 percent |
| Prior measurement date | 3.56 percent |
| Cost of Living Adjustments | 2.2 percent simple |

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

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

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

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

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

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

Discount Rate For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.12 percent at December 31, 2020 and 2.75 percent at December 31, 2019, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 2.96 percent for 2020 and 3.56 percent for 2019. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 2.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96 percent), or one percentage point higher (3.96 percent) than the current rate.

| | 1% Decrease (1.96%) | Current Discount Rate (2.96%) | 1% Increase (3.96%) |
|--|------------------------|-------------------------------------|------------------------|
| City's proportionate share of the net OPEB liability | \$4,938,102 | \$3,960,168 | \$3,153,485 |

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 15 - Risk Management

A. Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 2021, the City contracted with USI Insurance Services for various types of insurance as follows:

| Type | Coverage |
|---------------------------------|---------------|
| Blanket Coverage - All Property | \$109,580,097 |
| General Liability | 15,000,000 |
| Automobile - Comprehensive | 15,000,000 |
| Law Enforcement Liability | 15,000,000 |
| Public Officials | 15,000,000 |
| Employee Dishonesty | 15,000,000 |

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

B. Workers' Compensation

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

Prior to July 1, 2020, the City was self-insured for worker's compensation coverage. The City accounts for the worker's compensation self-insurance through the Self-Insurance Fund (an Internal Service Fund). Sedgwick Claims Management Services is the City's third-party administrator. The retention point for excess insurance is \$450,000, which is through Midwest Employers. The insurance will cover the City for each incident that goes beyond \$450,000. The claims liability of \$7,154 reported in the fund as December 31, 2021, 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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 2020 and 2021 were:

| | Beginning of Year | Claims | Payments | Change in Workers' Compensation Estimate | End of Year |
|------|----------------------|---------|----------|---|-------------|
| 2020 | \$565,746 | \$8,318 | \$78,244 | \$0 | \$495,820 |
| 2021 | 495,820 | 136,221 | 136,221 | (488,666) | 7,154 |

Note 16 - Long-Term Obligations

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

| | Outstanding 12/31/2020 | Additions | (Reductions) | Outstanding 12/31/2021 | Amounts Due In One Year |
|--|---------------------------|-----------|---------------|---------------------------|----------------------------|
| Special Assessment Bonds with Governmental Commitment | | | | | |
| \$5,315,000 2015 3.000% - 4.000% | | | | | |
| Eaton Boulevard Improvements | \$4,305,000 | \$0 | (\$230,000) | \$4,075,000 | \$240,000 |
| Premium on Eaton Boulevard Bonds | 236,665 | 0 | (16,228) | 220,437 | 0 |
| Total Eaton Boulevard Bonds | 4,541,665 | 0 | (246,228) | 4,295,437 | 240,000 |
| General Obligation Bonds | | | | | |
| \$9,000,000 2017 2.000% - 4.000% | | | | | |
| Fire Station #2 Bonds | 8,255,000 | 0 | (270,000) | 7,985,000 | 280,000 |
| Premium on Fire Station #2 Bonds | 330,181 | 0 | (15,123) | 315,058 | 0 |
| Total Fire Station #2 Bonds | 8,585,181 | 0 | (285,123) | 8,300,058 | 280,000 |
| \$6,250,000 2012 1.500% - 3.750% | | | | | |
| Refunding Bonds | 2,580,000 | 0 | (2,580,000) | 0 | 0 |
| Premium on Refunding Bonds | 92,669 | 0 | (92,669) | 0 | 0 |
| Total Refunding Bonds | 2,672,669 | 0 | (2,672,669) | 0 | 0 |
| <i>Total General Obligation Bonds</i> | \$11,257,850 | \$0 | (\$2,957,792) | \$8,300,058 | \$280,000 |

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

| | Outstanding | | | Outstanding | |
|--|---------------------|--------------------|-----------------------|---------------------|----------------------------|
| | 12/31/2020 | Additions | (Reductions) | 12/31/2021 | Amounts Due In One Year |
| Net Pension Liability | | | | | |
| OPERS | \$14,768,322 | \$0 | (\$4,735,726) | \$10,032,596 | \$0 |
| OP&F | 26,125,236 | 0 | (644,918) | 25,480,318 | 0 |
| <i>Total Net Pension Liability</i> | <u>40,893,558</u> | <u>0</u> | <u>(5,380,644)</u> | <u>35,512,914</u> | <u>0</u> |
| Net OPEB Liability | | | | | |
| OPERS | 9,639,673 | 0 | (9,639,673) | 0 | 0 |
| OP&F | 3,830,724 | 129,444 | 0 | 3,960,168 | 0 |
| <i>Total Net OPEB Liability</i> | <u>13,470,397</u> | <u>129,444</u> | <u>(9,639,673)</u> | <u>3,960,168</u> | <u>0</u> |
| Compensated Absences | 3,624,874 | 3,139,845 | (2,801,207) | 3,963,512 | 2,295,964 |
| <i>Total General Long-term Obligations</i> | <u>\$73,788,344</u> | <u>\$3,269,289</u> | <u>(\$21,025,544)</u> | <u>\$56,032,089</u> | <u>\$2,815,964</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. There is no repayment schedule for the net pension and net OPEB liabilities. However, employer pension contributions are made from the general fund. For additional information related to the net pension liability see Note 13 and related to the net OPEB liability see Note 14.

In 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 had a final maturity in 2024. During 2021, the City retired the annual principal payment of \$625,000 and called the remaining \$1,955,000 of amounts due in years 2022 through 2024. The bonds did not have a call premium.

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

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

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

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

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

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2038 | \$450,000 |
| 2039 | 470,000 |
| 2040 | 485,000 |
| 2041 | 500,000 |
| 2042 | 520,000 |

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

The City's legal debt margin was \$88,260,708 at December 31, 2021. Principal and interest requirements to retire outstanding general obligation and special assessment bonds at December 31, 2021, are as follows:

| General Obligation Bonds | | | | |
|--------------------------|--------------|-------------|-------------|-----------|
| <u>Year</u> | Current | | Current | |
| | Serial Bonds | | Term Bonds | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$280,000 | \$258,063 | \$0 | \$0 |
| 2023 | 285,000 | 252,463 | 0 | 0 |
| 2024 | 290,000 | 246,763 | 0 | 0 |
| 2025 | 300,000 | 240,962 | 0 | 0 |
| 2026 | 300,000 | 234,962 | 0 | 0 |
| 2027-2031 | 1,690,000 | 987,712 | 0 | 0 |
| 2032-2036 | 1,985,000 | 696,663 | 0 | 0 |
| 2037-2041 | 430,000 | 102,912 | 1,905,000 | 235,487 |
| 2040-2042 | 0 | 0 | 520,000 | 16,900 |
| Total | \$5,560,000 | \$3,020,500 | \$2,425,000 | \$252,387 |

| Special Assessment Bonds | | | | |
|--------------------------|--------------|-----------|------------|-----------|
| <u>Year</u> | Current | | Current | |
| | Serial Bonds | | Term Bonds | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$240,000 | \$139,660 | \$0 | \$0 |
| 2023 | 245,000 | 130,060 | 0 | 0 |
| 2024 | 255,000 | 120,260 | 0 | 0 |
| 2025 | 260,000 | 110,060 | 0 | 0 |
| 2026 | 270,000 | 99,660 | 0 | 0 |
| 2027-2031 | 855,000 | 241,530 | 610,000 | 117,120 |
| 2032-2035 | 1,020,000 | 70,780 | 320,000 | 44,300 |
| Total | \$3,145,000 | \$912,010 | \$930,000 | \$161,420 |

City of Beachwood, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2021

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 12/31/2021 |
|--------------------------|-------------------------------|
| General | \$2,697,760 |
| Capital Improvement | 4,462,011 |
| Other Governmental Funds | 9,355 |
| Total | \$7,169,126 |

Contractual Commitments

At December 31, 2021, the various projects within the City had contractual commitments consisting of the following:

| Project | Contract Amount | Amount Paid | Remaining on Contract |
|------------------------------|--------------------|----------------|--------------------------|
| Backflow Preventer Program | \$528,165 | \$228,857 | \$299,308 |
| Community Drive Storm Sewers | 1,224,904 | 129,241 | 1,095,663 |
| Total | \$1,753,069 | \$358,098 | \$1,394,971 |

The amounts remaining on these contracts were encumbered at year end. The amounts of \$249,190 and \$39,789 in contracts and retainage payable for governmental activities, respectively, have been capitalized.

Note 18 – Change in Accounting Principle

Change in Accounting Principles

For 2021, the City implemented the Governmental Accounting Standards Board’s (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The City is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the City’s 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 19 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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Required Supplementary Information

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

| | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.0677520% | 0.0747170% | 0.0769140% | 0.0754730% |
| City's Proportionate Share of the Net Pension Liability | \$10,032,596 | \$14,768,322 | \$21,065,185 | \$11,840,252 |
| City's Covered Payroll | \$9,542,529 | \$10,514,743 | \$10,384,843 | \$9,977,746 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 105.14% | 140.45% | 202.85% | 118.67% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 86.88% | 82.10% | 74.70% | 84.66% |

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

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

See accompanying notes to the required supplementary information.

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|-------------|-------------|
| 0.0751760% | 0.0753490% | 0.0731160% | 0.0731160% |
| \$17,071,192 | \$13,051,398 | \$8,818,607 | \$8,619,424 |
| \$9,718,925 | \$9,370,217 | \$8,964,117 | \$8,465,315 |
| 175.65% | 139.29% | 98.38% | 101.82% |
| 77.25% | 81.08% | 86.45% | 86.36% |

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

| | 2021 | 2020 | 2019 | 2018 |
|--|------------|------------|------------|------------|
| City's Proportion of the Net Pension Asset | 0.0000000% | 0.0005160% | 0.0036990% | 0.0043510% |
| City's Proportionate Share of the Net Pension Asset | \$0 | \$1,077 | \$4,137 | \$5,925 |
| City's Covered Payroll | \$0 | \$2,293 | \$15,821 | \$17,823 |
| City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll | 0.00% | -46.97% | -26.15% | -33.24% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset | 157.67% | 145.28% | 126.64% | 137.28% |

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

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

See accompanying notes to the required supplementary information.

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

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

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

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

See accompanying notes to the required supplementary information.

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

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

| | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|--------------|--------------|
| City's Proportion of the Net Pension Liability | 0.3737712% | 0.3878142% | 0.3844880% | 0.3865530% |
| City's Proportionate Share of the Net Pension Liability | \$25,480,318 | \$26,125,236 | \$31,384,382 | \$23,724,502 |
| City's Covered Payroll | \$9,094,166 | \$9,128,284 | \$8,624,751 | \$8,350,537 |
| City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 280.18% | 286.20% | 363.89% | 284.11% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.65% | 69.89% | 63.07% | 70.91% |

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

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

See accompanying notes to the required supplementary information.

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|--------------|--------------|
| 0.3933340% | 0.3918830% | 0.3699959% | 0.3699959% |
| \$24,913,381 | \$25,210,108 | \$19,167,330 | \$18,019,961 |
| \$8,411,080 | \$7,905,342 | \$7,288,792 | \$7,185,479 |
| 296.20% | 318.90% | 262.97% | 250.78% |
| 68.36% | 66.77% | 71.71% | 73.00% |

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

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

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

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

See accompanying notes to the required supplementary information.

| 2018 | 2017 |
|--------------|--------------|
| 0.3865530% | 0.3933340% |
| \$21,901,552 | \$18,670,680 |
| \$8,350,537 | \$8,411,080 |
| 262.28% | 221.98% |
| 14.13% | 15.96% |

City of Beachwood, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System
Last Nine Years (1) (2)

| | 2021 | 2020 | 2019 | 2018 |
|--|--------------------|--------------------|--------------------|--------------------|
| Net Pension Liability - Traditional Plan | | | | |
| Contractually Required Contribution | \$1,399,211 | \$1,335,954 | \$1,472,064 | \$1,453,878 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,399,211)</u> | <u>(1,335,954)</u> | <u>(1,472,064)</u> | <u>(1,453,878)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$9,994,364 | \$9,542,529 | \$10,514,743 | \$10,384,843 |
| Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> |
| Net Pension Liability - Combined Plan | | | | |
| Contractually Required Contribution | \$0 | \$0 | \$321 | \$2,215 |
| Contributions in Relation to the Contractually Required Contribution | <u>0</u> | <u>0</u> | <u>(321)</u> | <u>(2,215)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll | \$0 | \$0 | \$2,293 | \$15,821 |
| Contributions as a Percentage of Covered Payroll | <u>N/A</u> | <u>N/A</u> | <u>14.00%</u> | <u>14.00%</u> |
| Net OPEB Liability - OPEB Plan (2) | | | | |
| Contractually Required Contribution | \$855 | \$603 | \$1,183 | \$1,535 |
| Contributions in Relation to the Contractually Required Contribution | <u>(855)</u> | <u>(603)</u> | <u>(1,183)</u> | <u>(1,535)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll (3) | \$10,015,739 | \$9,557,604 | \$10,546,611 | \$10,439,039 |
| Contributions as a Percentage of Covered Payroll | <u>0.01%</u> | <u>0.01%</u> | <u>0.01%</u> | <u>0.01%</u> |

(1) Information prior to 2013 is not available.

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

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

See accompanying notes to the required supplementary information.

| 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$1,297,107 | \$1,166,271 | \$1,124,426 | \$1,075,694 | \$1,100,491 |
| <u>(1,297,107)</u> | <u>(1,166,271)</u> | <u>(1,124,426)</u> | <u>(1,075,694)</u> | <u>(1,100,491)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$9,977,746 | \$9,718,925 | \$9,370,217 | \$8,964,117 | \$8,465,315 |
| <u>13.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>13.00%</u> |
| \$2,317 | \$15,838 | \$15,572 | \$9,745 | \$516 |
| <u>(2,317)</u> | <u>(15,838)</u> | <u>(15,572)</u> | <u>(9,745)</u> | <u>(516)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$17,823 | \$131,983 | \$129,767 | \$81,208 | \$3,969 |
| <u>13.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>12.00%</u> | <u>13.00%</u> |
| \$101,088 | \$198,157 | | | |
| <u>(101,088)</u> | <u>(198,157)</u> | | | |
| <u>\$0</u> | <u>\$0</u> | | | |
| \$10,023,869 | \$9,879,383 | | | |
| <u>1.01%</u> | <u>2.01%</u> | | | |

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

| | 2021 | 2020 | 2019 | 2018 |
|---|--------------------|--------------------|--------------------|--------------------|
| Net Pension Liability | | | | |
| Contractually Required Contribution | \$2,073,450 | \$1,937,747 | \$1,948,798 | \$1,840,182 |
| Contributions in Relation to the Contractually Required Contribution | <u>(2,073,450)</u> | <u>(1,937,747)</u> | <u>(1,948,798)</u> | <u>(1,840,182)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| City Covered Payroll (1) | \$9,739,949 | \$9,094,166 | \$9,128,284 | \$8,624,751 |
| Pension Contributions as a Percentage of Covered Payroll: | <u>21.29%</u> | <u>21.31%</u> | <u>21.35%</u> | <u>21.34%</u> |
| Net OPEB Liability | | | | |
| Contractually Required Contribution | \$46,493 | \$45,471 | \$45,642 | \$43,124 |
| Contributions in Relation to the Contractually Required Contribution | <u>(46,493)</u> | <u>(45,471)</u> | <u>(45,642)</u> | <u>(43,124)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OPEB Contributions as a Percentage of Covered Payroll: | <u>0.48%</u> | <u>0.50%</u> | <u>0.50%</u> | <u>0.50%</u> |
| Total Contributions as a Percentage of Covered Payroll: | <u>21.77%</u> | <u>21.81%</u> | <u>21.85%</u> | <u>21.84%</u> |

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

See accompanying notes to the required supplementary information.

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$1,782,357 | \$1,788,221 | \$1,680,214 | \$1,548,409 | \$1,299,075 | \$1,083,438 |
| <u>(1,782,357)</u> | <u>(1,788,221)</u> | <u>(1,680,214)</u> | <u>(1,548,409)</u> | <u>(1,299,075)</u> | <u>(1,083,438)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$8,350,537 | \$8,411,080 | \$7,905,342 | \$7,288,792 | \$7,185,479 | \$7,242,762 |
| <u>21.34%</u> | <u>21.26%</u> | <u>21.25%</u> | <u>21.24%</u> | <u>18.08%</u> | <u>14.96%</u> |
| \$41,753 | \$42,055 | \$39,527 | \$36,444 | \$259,875 | \$488,887 |
| <u>(41,753)</u> | <u>(42,055)</u> | <u>(39,527)</u> | <u>(36,444)</u> | <u>(259,875)</u> | <u>(488,887)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>0.50%</u> | <u>0.50%</u> | <u>0.50%</u> | <u>0.50%</u> | <u>3.62%</u> | <u>6.75%</u> |
| <u>21.84%</u> | <u>21.76%</u> | <u>21.75%</u> | <u>21.74%</u> | <u>21.70%</u> | <u>21.71%</u> |

City of Beachwood, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension– Traditional Plan

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented as follows:

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

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

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

| | |
|-------------------|---|
| 2021 | 0.5 percent, simple through 2021 then 2.15 percent, simple |
| 2020 | 1.4 percent, simple through 2020 then 2.15 percent, simple |
| 2017 through 2019 | 3.0 percent, simple through 2018 then 2.15 percent, simple |
| 2016 and prior | 3.0 percent, simple through 2018 then 2.80 percent, simple |

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

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

City of Beachwood, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS Pension – Combined Plan

For 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

Changes in Assumptions – OP&F Pension

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

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

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

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

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

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

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

City of Beachwood, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2021

Changes in Assumptions – OPERS OPEB

| | |
|-------------------------------|---|
| Investment Return Assumption: | |
| Beginning in 2019 | 6.00 percent |
| 2018 | 6.50 percent |
| Municipal Bond Rate: | |
| 2021 | 2.00 percent |
| 2020 | 2.75 percent |
| 2019 | 3.71 percent |
| 2018 | 3.31 percent |
| Single Discount Rate: | |
| 2021 | 6.00 percent |
| 2020 | 3.16 percent |
| 2019 | 3.96 percent |
| 2018 | 3.85 percent |
| Health Care Cost Trend Rate: | |
| 2021 | 8.5 percent, initial 3.5 percent, ultimate in 2035 |
| 2020 | 10.5 percent, initial 3.5 percent, ultimate in 2030 |
| 2019 | 10.0 percent, initial 3.25 percent, ultimate in 2029 |
| 2018 | 7.5 percent, initial 3.25 percent, ultimate in 2028 |

Changes in Assumptions – OP&F OPEB

| | |
|------------------------|--------------|
| Blended Discount Rate: | |
| 2021 | 2.96 percent |
| 2020 | 3.56 percent |
| 2019 | 4.66 percent |
| 2018 | 3.24 percent |

Changes in Benefit Terms – OPERS OPEB

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

Changes in Benefit Terms – OP&F OPEB

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

Combining Statements – Nonmajor Governmental Funds

All nonmajor governmental funds are special revenue funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

Local Coronavirus Relief Fund – This fund accounts for and reports restricted monies received for Coronavirus relief and expenses incurred due to the public health emergency with respect to the Coronavirus Disease of 2020.

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

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

City of Beachwood, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

| | Street Construction, Maintenance and Repair | State Highway | Mayor's Court Improvement | Law Enforcement Trust |
|---|--|------------------|---------------------------------|-----------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,181,419 | \$197,777 | \$57,514 | \$157,955 |
| Property Taxes Receivable | 0 | 0 | 0 | 0 |
| Payments in Lieu of Taxes Receivable | 0 | 0 | 0 | 0 |
| Intergovernmental Receivable | 255,582 | 20,723 | 0 | 0 |
| <i>Total Assets</i> | <u>\$2,437,001</u> | <u>\$218,500</u> | <u>\$57,514</u> | <u>\$157,955</u> |
| Liabilities | | | | |
| Accounts Payable | \$225 | \$0 | \$0 | \$0 |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 0 | 0 | 0 | 0 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Unavailable Revenue | 150,991 | 12,243 | 0 | 0 |
| <i>Total Deferred Inflows of Resources</i> | <u>150,991</u> | <u>12,243</u> | <u>0</u> | <u>0</u> |
| Fund Balances | | | | |
| Restricted | 2,285,785 | 206,257 | 57,514 | 157,955 |
| Committed | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances</i> | <u>2,285,785</u> | <u>206,257</u> | <u>57,514</u> | <u>157,955</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$2,437,001</u> | <u>\$218,500</u> | <u>\$57,514</u> | <u>\$157,955</u> |

| Police Pension | Street Lights | Omnova TIF | Barkwood Donations | American Rescue Plan Act | Total Nonmajor Governmental Funds |
|------------------|------------------|------------------|--------------------|--------------------------|-----------------------------------|
| \$21,239 | \$112,129 | \$0 | \$1,390 | \$607,032 | \$3,336,455 |
| 278,027 | 0 | 0 | 0 | 0 | 278,027 |
| 0 | 0 | 277,866 | 0 | 0 | 277,866 |
| 7,914 | 0 | 0 | 0 | 0 | 284,219 |
| <u>\$307,180</u> | <u>\$112,129</u> | <u>\$277,866</u> | <u>\$1,390</u> | <u>\$607,032</u> | <u>\$4,176,567</u> |
| \$0 | \$1,682 | \$0 | \$0 | \$0 | \$1,907 |
| 251,417 | 0 | 0 | 0 | 0 | 251,417 |
| 0 | 0 | 277,866 | 0 | 0 | 277,866 |
| 34,524 | 0 | 0 | 0 | 0 | 197,758 |
| <u>285,941</u> | <u>0</u> | <u>277,866</u> | <u>0</u> | <u>0</u> | <u>727,041</u> |
| 21,239 | 110,447 | 0 | 0 | 607,032 | 3,446,229 |
| 0 | 0 | 0 | 1,390 | 0 | 1,390 |
| <u>21,239</u> | <u>110,447</u> | <u>0</u> | <u>1,390</u> | <u>607,032</u> | <u>3,447,619</u> |
| <u>\$307,180</u> | <u>\$112,129</u> | <u>\$277,866</u> | <u>\$1,390</u> | <u>\$607,032</u> | <u>\$4,176,567</u> |

City of Beachwood, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

| | 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 | 3,780 | 0 |
| Intergovernmental | 757,487 | 61,418 | 0 | 819 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 |
| Interest | 17,954 | 3,594 | 0 | 1,004 |
| Other | 0 | 0 | 0 | 0 |
| <i>Total Revenues</i> | <u>775,441</u> | <u>65,012</u> | <u>3,780</u> | <u>1,823</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 0 | 0 | 0 | 0 |
| Public Safety: | | | | |
| Police | 0 | 0 | 9,259 | 53,598 |
| Fire | 0 | 0 | 0 | 0 |
| Public Services | 225 | 0 | 0 | 0 |
| Culture and Recreation | 0 | 0 | 0 | 0 |
| Capital Outlay | 335,744 | 296,451 | 0 | 0 |
| <i>Total Expenditures</i> | <u>335,969</u> | <u>296,451</u> | <u>9,259</u> | <u>53,598</u> |
| <i>Net Change in Fund Balances</i> | 439,472 | (231,439) | (5,479) | (51,775) |
| <i>Fund Balances Beginning of Year</i> | <u>1,846,313</u> | <u>437,696</u> | <u>62,993</u> | <u>209,730</u> |
| <i>Fund Balances End of Year</i> | <u>\$2,285,785</u> | <u>\$206,257</u> | <u>\$57,514</u> | <u>\$157,955</u> |

| Police Pension | Street Lights | Omnova TIF | Barkwood Donations | Local Coronavirus Relief | American Rescue Plan Act | Total Nonmajor Governmental Funds |
|-----------------|------------------|----------------|--------------------|--------------------------|--------------------------|-----------------------------------|
| \$229,575 | \$0 | \$0 | \$0 | \$0 | \$0 | \$229,575 |
| 0 | 0 | 0 | 0 | 0 | 0 | 3,780 |
| 16,088 | 0 | 0 | 0 | 105,094 | 607,032 | 1,547,938 |
| 0 | 0 | 272,949 | 0 | 0 | 0 | 272,949 |
| 0 | 38,469 | 0 | 0 | 0 | 0 | 38,469 |
| 0 | 0 | 0 | 0 | 0 | 0 | 22,552 |
| 0 | 0 | 0 | 1,485 | 0 | 0 | 1,485 |
| <u>245,663</u> | <u>38,469</u> | <u>272,949</u> | <u>1,485</u> | <u>105,094</u> | <u>607,032</u> | <u>2,116,748</u> |
| 0 | 0 | 272,949 | 0 | 0 | 0 | 272,949 |
| 244,209 | 20,474 | 0 | 0 | 0 | 0 | 327,540 |
| 0 | 0 | 0 | 0 | 105,094 | 0 | 105,094 |
| 0 | 0 | 0 | 0 | 0 | 0 | 225 |
| 0 | 0 | 0 | 395 | 0 | 0 | 395 |
| 0 | 0 | 0 | 0 | 0 | 0 | 632,195 |
| <u>244,209</u> | <u>20,474</u> | <u>272,949</u> | <u>395</u> | <u>105,094</u> | <u>0</u> | <u>1,338,398</u> |
| 1,454 | 17,995 | 0 | 1,090 | 0 | 607,032 | 778,350 |
| 19,785 | 92,452 | 0 | 300 | 0 | 0 | 2,669,269 |
| <u>\$21,239</u> | <u>\$110,447</u> | <u>\$0</u> | <u>\$1,390</u> | <u>\$0</u> | <u>\$607,032</u> | <u>\$3,447,619</u> |

Combining Statement - Fiduciary Funds

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Funds

Energy Special Improvement District Fund – To account for the receipt and disbursement of special assessment tax collections of businesses in the Energy Special Improvement District area for the benefit of another government.

Orange Village Special Assessment – To account for the receipt and disbursement of special assessment tax collections for the benefit of another government.

Mayor's Court – To account for various fines collected and distributed through the Mayor's Court for the benefit of others.

City of Beachwood, Ohio
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2021

| | Energy Special Improvement District | Orange Village Special Assessment | Mayor's Court | Total Custodial Funds |
|--|---|---|------------------|-----------------------------|
| Assets | | | | |
| Cash and Cash Equivalents in Segregated Accounts | \$0 | \$0 | \$2,375 | \$2,375 |
| Special Assessments Receivable | 1,494,438 | 12,410 | 0 | 1,506,848 |
| <i>Total Assets</i> | 1,494,438 | 12,410 | 2,375 | 1,509,223 |
| Liabilities | | | | |
| Intergovernmental Payable | 1,494,438 | 12,410 | 2,375 | 1,509,223 |
| Net Position | | | | |
| Restricted for Individuals, Organizations and Other Governments | \$0 | \$0 | \$0 | \$0 |

City of Beachwood, Ohio
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2021

| | Energy Special Improvement District | Orange Village Special Assessment | Mayor's Court | Total Custodial Funds |
|---|---|---|------------------|-----------------------------|
| Additions | | | | |
| Fines and Forfeitures for Other Governments | \$0 | \$0 | \$237,644 | \$237,644 |
| Special Assessment Collections for Distribution | 6,032 | 95 | 0 | 6,127 |
| <i>Total Additions</i> | 6,032 | 95 | 237,644 | 243,771 |
| Deductions | | | | |
| Distributions to Other Governments | 6,032 | 95 | 237,644 | 243,771 |
| <i>Change in Net Position</i> | 0 | 0 | 0 | 0 |
| <i>Net Position Beginning of Year</i> | 0 | 0 | 0 | 0 |
| <i>Net Position End of Year</i> | \$0 | \$0 | \$0 | \$0 |

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

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$2,800,000 | \$2,800,000 | \$2,831,433 | \$31,433 |
| Municipal Income Taxes | 35,813,025 | 36,493,011 | 37,542,437 | 1,049,426 |
| Charges for Services | 2,378,600 | 2,378,600 | 2,260,288 | (118,312) |
| Fines, Licenses and Permits | 1,340,000 | 1,259,860 | 1,876,379 | 616,519 |
| Intergovernmental | 341,347 | 341,347 | 429,515 | 88,168 |
| Rentals | 0 | 5,000 | 4,800 | (200) |
| Admission Taxes | 300,000 | 300,000 | 306,879 | 6,879 |
| Lodging Taxes | 280,000 | 280,000 | 459,271 | 179,271 |
| Franchise Taxes | 120,000 | 120,000 | 125,473 | 5,473 |
| Interest | 841,000 | 841,000 | 482,874 | (358,126) |
| Other | 147,400 | 147,400 | 228,690 | 81,290 |
| <i>Total Revenues</i> | 44,361,372 | 44,966,218 | 46,548,039 | 1,581,821 |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Council: | | | | |
| Personal Services | 129,160 | 129,160 | 127,391 | 1,769 |
| Contractual Services | 27,650 | 27,650 | 23,150 | 4,500 |
| Materials and Supplies | 4,671 | 4,671 | 1,124 | 3,547 |
| Capital Outlay | 5,800 | 5,800 | 3,969 | 1,831 |
| Other | 24,299 | 24,299 | 19,912 | 4,387 |
| Total Council | 191,580 | 191,580 | 175,546 | 16,034 |
| Mayor: | | | | |
| Personal Services | 525,752 | 525,752 | 479,805 | 45,947 |
| Contractual Services | 60,167 | 60,167 | 32,264 | 27,903 |
| Materials and Supplies | 14,976 | 14,976 | 9,167 | 5,809 |
| Capital Outlay | 5,514 | 5,514 | 6,159 | (645) |
| Other | 130,205 | 130,205 | 117,731 | 12,474 |
| Total Mayor | 736,614 | 736,614 | 645,126 | 91,488 |
| Human Resources: | | | | |
| Personal Services | 239,579 | 244,579 | 227,623 | 16,956 |
| Contractual Services | 12,086 | 12,086 | 7,878 | 4,208 |
| Materials and Supplies | 1,674 | 1,674 | 1,230 | 444 |
| Other | 7,300 | 7,300 | 1,596 | 5,704 |
| Total Human Resources | \$260,639 | \$265,639 | \$238,327 | \$27,312 |

(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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| Finance Director: | | | | |
| Personal Services | \$1,433,851 | \$1,443,851 | \$1,394,794 | \$49,057 |
| Contractual Services | 4,763,897 | 5,563,897 | 5,261,587 | 302,310 |
| Materials and Supplies | 32,816 | 32,816 | 18,989 | 13,827 |
| Capital Outlay | 184,550 | 304,550 | 160,873 | 143,677 |
| Other | 601,810 | 601,810 | 438,091 | 163,719 |
| Total Finance Director | 7,016,924 | 7,946,924 | 7,274,334 | 672,590 |
| Law Department: | | | | |
| Personal Services | 519,098 | 524,098 | 486,180 | 37,918 |
| Contractual Services | 168,411 | 353,411 | 289,805 | 63,606 |
| Materials and Supplies | 13,435 | 13,435 | 10,804 | 2,631 |
| Capital Outlay | 9,000 | 9,000 | 7,564 | 1,436 |
| Other | 39,758 | 39,758 | 37,723 | 2,035 |
| Total Law Department | 749,702 | 939,702 | 832,076 | 107,626 |
| Total General Government | 8,955,459 | 10,080,459 | 9,165,409 | 915,050 |
| Public Safety: | | | | |
| Police Department: | | | | |
| Personal Services | 11,544,743 | 11,544,743 | 10,185,742 | 1,359,001 |
| Contractual Services | 631,159 | 631,159 | 517,130 | 114,029 |
| Materials and Supplies | 206,462 | 206,462 | 154,923 | 51,539 |
| Capital Outlay | 503,517 | 538,517 | 531,227 | 7,290 |
| Other | 104,667 | 104,667 | 82,430 | 22,237 |
| Total Police Department | 12,990,548 | 13,025,548 | 11,471,452 | 1,554,096 |
| Fire Department: | | | | |
| Personal Services | 8,395,261 | 8,445,261 | 8,223,811 | 221,450 |
| Contractual Services | 313,382 | 313,382 | 214,176 | 99,206 |
| Materials and Supplies | 166,245 | 166,245 | 122,385 | 43,860 |
| Capital Outlay | 456,704 | 456,704 | 380,899 | 75,805 |
| Other | 103,226 | 103,226 | 38,687 | 64,539 |
| Total Fire Department | 9,434,818 | 9,484,818 | 8,979,958 | 504,860 |
| Total Public Safety | \$22,425,366 | \$22,510,366 | \$20,451,410 | \$2,058,956 |

(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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|-------------|-------------|---|
| | Original | Final | | |
| Public Services: | | | | |
| Service Department: | | | | |
| Personal Services | \$7,118,196 | \$7,118,196 | \$6,166,447 | \$951,749 |
| Contractual Services | 1,738,429 | 1,738,429 | 1,522,399 | 216,030 |
| Materials and Supplies | 2,159,884 | 2,159,884 | 1,776,644 | 383,240 |
| Capital Outlay | 1,368,827 | 1,368,827 | 1,367,291 | 1,536 |
| Other | 32,800 | 32,800 | 30,543 | 2,257 |
| Total Public Services | 12,418,136 | 12,418,136 | 10,863,324 | 1,554,812 |
| Culture and Recreation | | | | |
| Recreation Administration: | | | | |
| Personal Services | 1,411,227 | 1,411,227 | 1,173,181 | 238,046 |
| Contractual Services | 333,636 | 333,636 | 128,173 | 205,463 |
| Materials and Supplies | 108,204 | 108,204 | 61,474 | 46,730 |
| Capital Outlay | 8,000 | 8,000 | 5,404 | 2,596 |
| Other | 63,938 | 63,938 | 29,817 | 34,121 |
| Total Recreation Administration | 1,925,005 | 1,925,005 | 1,398,049 | 526,956 |
| Recreation Camps: | | | | |
| Personal Services | 392,047 | 392,047 | 219,988 | 172,059 |
| Contractual Services | 147,500 | 147,500 | 65,283 | 82,217 |
| Materials and Supplies | 33,742 | 33,742 | 21,770 | 11,972 |
| Other | 4,500 | 4,500 | 0 | 4,500 |
| Total Recreation Camps | 577,789 | 577,789 | 307,041 | 270,748 |
| Recreation Other Programs: | | | | |
| Personal Services | 101,616 | 101,616 | 48,668 | 52,948 |
| Contractual Services | 126,054 | 126,054 | 87,184 | 38,870 |
| Materials and Supplies | 21,200 | 21,200 | 14,444 | 6,756 |
| Other | 10,000 | 10,000 | 6,582 | 3,418 |
| Total Recreation Other Programs | \$258,870 | \$258,870 | \$156,878 | \$101,992 |

(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, 2021

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| Recreation Parks/Swimming Pools: | | | | |
| Personal Services | \$288,988 | \$288,988 | \$195,265 | \$93,723 |
| Contractual Services | 369,204 | 369,204 | 263,994 | 105,210 |
| Materials and Supplies | 83,400 | 83,400 | 73,695 | 9,705 |
| Capital Outlay | 5,000 | 5,000 | 4,665 | 335 |
| Other | 4,775 | 4,775 | 1,697 | 3,078 |
| Total Recreation Parks/Swimming Pools | 751,367 | 751,367 | 539,316 | 212,051 |
| Total Culture and Recreation | 3,513,031 | 3,513,031 | 2,401,284 | 1,111,747 |
| Building and Community Development: | | | | |
| Building Development: | | | | |
| Personal Services | 1,428,593 | 1,356,593 | 1,056,438 | 300,155 |
| Contractual Services | 197,616 | 314,616 | 261,206 | 53,410 |
| Materials and Supplies | 22,552 | 22,552 | 14,662 | 7,890 |
| Capital Outlay | 88,188 | 96,688 | 90,103 | 6,585 |
| Other | 589,753 | 571,253 | 254,445 | 316,808 |
| Total Building and Community Development | 2,326,702 | 2,361,702 | 1,676,854 | 684,848 |
| Total Expenditures | 49,638,694 | 50,883,694 | 44,558,281 | 6,325,413 |
| Excess of Revenues Over (Under) Expenditures | (5,277,322) | (5,917,476) | 1,989,758 | 7,907,234 |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 80,000 | 80,000 | 133,955 | 53,955 |
| Advances In | 0 | 0 | 93,500 | 93,500 |
| Transfers Out | (4,000,000) | (4,300,000) | (4,300,000) | 0 |
| Total Other Financing Sources (Uses) | (3,920,000) | (4,220,000) | (4,072,545) | 147,455 |
| Net Change in Fund Balance | (9,197,322) | (10,137,476) | (2,082,787) | 8,054,689 |
| Fund Balance Beginning of Year | 28,818,229 | 28,818,229 | 28,818,229 | 0 |
| Prior Year Encumbrances Appropriated | 2,199,134 | 2,199,134 | 2,199,134 | 0 |
| Fund Balance End of Year | \$21,820,041 | \$20,879,887 | \$28,934,576 | \$8,054,689 |

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Eaton Tax Increment Financing Fund
For the Year Ended December 31, 2021*

| | Budgeted Amounts | | Actual | Variance - Positive (Negative) |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Payments in Lieu of Taxes | \$4,200,000 | \$4,300,000 | \$4,300,568 | \$568 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | | | | |
| Other | 4,300,000 | 4,301,000 | 4,300,567 | 433 |
| <i>Net Change in Fund Balance</i> | (100,000) | (1,000) | 1 | 1,001 |
| <i>Fund Balance Beginning of Year</i> | 5,988,305 | 5,988,305 | 5,988,305 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$5,888,305</u> | <u>\$5,987,305</u> | <u>\$5,988,306</u> | <u>\$1,001</u> |

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Year Ended December 31, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|--|-----------------|-------------|--------------------------------------|
| Revenues | | | |
| Special Assessments | \$400,000 | \$448,439 | \$48,439 |
| Expenditures | | | |
| Debt Service: | | | |
| Principal Retirement | 3,080,000 | 3,080,000 | 0 |
| Interest and Fiscal Charges | 520,000 | 472,513 | 47,487 |
| <i>Total Expenditures</i> | 3,600,000 | 3,552,513 | 47,487 |
| <i>Excess of Revenues Under Expenditures</i> | (3,200,000) | (3,104,074) | 95,926 |
| Other Financing Sources | | | |
| Transfers In | 3,000,000 | 3,300,000 | 300,000 |
| <i>Net Change in Fund Balance</i> | (200,000) | 195,926 | 395,926 |
| <i>Fund Balance Beginning of Year</i> | 239,683 | 239,683 | 0 |
| <i>Fund Balance End of Year</i> | \$39,683 | \$435,609 | \$395,926 |

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, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|--|---------------------|--------------------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$0 | \$76,000 | \$76,000 |
| Special Assessments | 0 | 21,137 | 21,137 |
| <i>Total Revenues</i> | <u>0</u> | <u>97,137</u> | <u>97,137</u> |
| Expenditures | | | |
| Capital Outlay: | | | |
| Contractual Services | 933,184 | 912,881 | 20,303 |
| Capital Outlay | 11,133,759 | 5,964,023 | 5,169,736 |
| Other | 3,500 | 2,925 | 575 |
| <i>Total Expenditures</i> | <u>12,070,443</u> | <u>6,879,829</u> | <u>5,190,614</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(12,070,443)</u> | <u>(6,782,692)</u> | <u>5,287,751</u> |
| Other Financing Sources | | | |
| Sale of Capital Assets | 0 | 271,310 | 271,310 |
| Transfers In | 1,000,000 | 1,000,000 | 0 |
| <i>Total Other Financing Sources</i> | <u>1,000,000</u> | <u>1,271,310</u> | <u>271,310</u> |
| <i>Net Change in Fund Balance</i> | (11,070,443) | (5,511,382) | 5,559,061 |
| <i>Fund Balance Beginning of Year</i> | 10,172,041 | 10,172,041 | 0 |
| Prior Year Encumbrances Appropriated | 1,270,443 | 1,270,443 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$372,041</u> | <u>\$5,931,102</u> | <u>\$5,559,061</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, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-------------------------|---------------------------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$658,000 | \$751,365 | \$93,365 |
| Interest | 17,000 | 17,954 | 954 |
| <i>Total Revenues</i> | <u>675,000</u> | <u>769,319</u> | <u>94,319</u> |
| Expenditures | | | |
| Capital Outlay | | | |
| Streets, Sidewalks, and Maintenance: | | | |
| Contractual Services | 222,109 | 81,101 | 141,008 |
| Capital Outlay | 1,400,000 | 262,298 | 1,137,702 |
| <i>Total Expenditures</i> | <u>1,622,109</u> | <u>343,399</u> | <u>1,278,710</u> |
| <i>Net Change in Fund Balance</i> | (947,109) | 425,920 | 1,373,029 |
| <i>Fund Balance Beginning of Year</i> | 1,725,735 | 1,725,735 | 0 |
| Prior Year Encumbrances Appropriated | 22,109 | 22,109 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$800,735</u></u> | <u><u>\$2,173,764</u></u> | <u><u>\$1,373,029</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, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|-----------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$61,000 | \$60,921 | (\$79) |
| Interest | 4,000 | 3,593 | (407) |
| <i>Total Revenues</i> | 65,000 | 64,514 | (486) |
| Expenditures | | | |
| Current: | | | |
| Public Services: | | | |
| Streets, Sidewalks, and Maintenance: | | | |
| Capital Outlay | 300,000 | 296,451 | 3,549 |
| <i>Net Change in Fund Balance</i> | (235,000) | (231,937) | 3,063 |
| <i>Fund Balance Beginning of Year</i> | 429,714 | 429,714 | 0 |
| <i>Fund Balance End of Year</i> | \$194,714 | \$197,777 | \$3,063 |

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, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|----------|--------------------------------------|
| Revenues | | | |
| Fines, Licenses and Permits | \$4,000 | \$3,780 | (\$220) |
| Expenditures | | | |
| Current: | | | |
| Public Safety: | | | |
| Police: | | | |
| Materials and Supplies | 4,000 | 934 | 3,066 |
| Capital Outlay | 51,234 | 8,265 | 42,969 |
| <i>Total Expenditures</i> | 55,234 | 9,199 | 46,035 |
| <i>Net Change in Fund Balance</i> | (51,234) | (5,419) | 45,815 |
| <i>Fund Balance Beginning of Year</i> | 57,699 | 57,699 | 0 |
| Prior Year Encumbrances Appropriated | 5,234 | 5,234 | 0 |
| <i>Fund Balance End of Year</i> | \$11,699 | \$57,514 | \$45,815 |

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, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|------------------------|-------------------------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$8,000 | \$819 | (\$7,181) |
| Interest | 2,000 | 1,004 | (996) |
| <i>Total Revenues</i> | <u>10,000</u> | <u>1,823</u> | <u>(8,177)</u> |
| Expenditures | | | |
| Current: | | | |
| Public Safety: | | | |
| Police Department: | | | |
| Materials and Supplies | 7,000 | 3,391 | 3,609 |
| Capital Outlay | 315,545 | 186,452 | 129,093 |
| Other | 5,000 | 50 | 4,950 |
| <i>Total Expenditures</i> | <u>327,545</u> | <u>189,893</u> | <u>137,652</u> |
| <i>Net Change in Fund Balance</i> | (317,545) | (188,070) | 129,475 |
| <i>Fund Balance Beginning of Year</i> | 198,480 | 198,480 | 0 |
| Prior Year Encumbrances Appropriated | <u>147,545</u> | <u>147,545</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$28,480</u></u> | <u><u>\$157,955</u></u> | <u><u>\$129,475</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, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|-----------|--------------------------------------|
| Revenues | | | |
| Property Taxes | \$235,300 | \$229,575 | (\$5,725) |
| Intergovernmental | 14,000 | 16,088 | 2,088 |
| <i>Total Revenues</i> | 249,300 | 245,663 | (3,637) |
| Expenditures | | | |
| Current: | | | |
| Public Safety: | | | |
| Police: | | | |
| Personal Services | 265,000 | 244,209 | 20,791 |
| <i>Net Changes in Fund Balance</i> | (15,700) | 1,454 | 17,154 |
| <i>Fund Balance Beginning of Year</i> | 19,785 | 19,785 | 0 |
| <i>Fund Balance End of Year</i> | \$4,085 | \$21,239 | \$17,154 |

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, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|------------------------|-------------------------|--------------------------------------|
| Revenues | | | |
| Special Assessments | \$13,175 | \$38,469 | \$25,294 |
| Expenditures | | | |
| Current: | | | |
| Public Safety: | | | |
| Police: | | | |
| Contractual Services | 27,200 | 21,882 | 5,318 |
| Other | 300 | 292 | 8 |
| <i>Total Expenditures</i> | <u>27,500</u> | <u>22,174</u> | <u>5,326</u> |
| <i>Net Change in Fund Balance</i> | (14,325) | 16,295 | 30,620 |
| <i>Fund Balance Beginning of Year</i> | 92,434 | 92,434 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,700</u> | <u>1,700</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$79,809</u></u> | <u><u>\$110,429</u></u> | <u><u>\$30,620</u></u> |

City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Omnova Tax Increment Financing Fund
For the Year Ended December 31, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|-----------|--------------------------------------|
| Revenues | | | |
| Payments in Lieu of Taxes | \$273,000 | \$272,949 | (\$51) |
| Expenditures | | | |
| Current: | | | |
| General Government | | | |
| Other | 273,000 | 272,949 | (51) |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 |

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Barkwood Donations Fund
For the Year Ended December 31, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|---------|--------------------------------------|
| Revenues | | | |
| Other | \$950 | \$1,485 | \$535 |
| Expenditures | | | |
| Current: | | | |
| Culture and Recreation | | | |
| Materials and Supplies | 1,000 | 395 | 605 |
| <i>Net Change in Fund Balance</i> | (50) | 1,090 | 1,140 |
| <i>Fund Balance Beginning of Year</i> | 300 | 300 | 0 |
| <i>Fund Balance End of Year</i> | \$250 | \$1,390 | \$1,140 |

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Coronavirus Relief Fund
For the Year Ended December 31, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|--|-----------------|-----------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$93,500 | \$93,500 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Fire: | | | |
| Materials and Supplies | 628 | 628 | 0 |
| Capital Outlay | 79,465 | 79,465 | 0 |
| Other | 53,500 | 53,500 | 0 |
| <i>Total Expenditures</i> | 133,593 | 133,593 | 0 |
| <i>Excess of Revenues Under Expenditures</i> | (40,093) | (40,093) | 0 |
| Other Financing Uses | | | |
| Advances Out | (93,500) | (93,500) | 0 |
| <i>Net Change in Fund Balance</i> | (133,593) | (133,593) | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| Prior Year Encumbrances Appropriated | 133,593 | 133,593 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 |

City of Beachwood, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Northeast Ohio Public Energy Council (NOPEC) Grant Fund
For the Year Ended December 31, 2021

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|----------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$38,000 | \$0 | (\$38,000) |
| Expenditures | | | |
| Current: | | | |
| Public Services: | | | |
| Capital Outlay | 81,277 | 43,277 | 38,000 |
| <i>Net Change in Fund Balance</i> | (43,277) | (43,277) | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| Prior Year Encumbrances Appropriated | 43,277 | 43,277 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 |

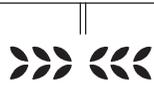
City of Beachwood, Ohio
*Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
American Rescue Plan Act
For the Year Ended December 31, 2021*

| | Final Budget | Actual | Variance - Positive (Negative) |
|---------------------------------------|-----------------|------------------|--------------------------------------|
| Revenues | | | |
| Intergovernmental | \$607,032 | \$607,032 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Fire: | | | |
| Capital Outlay | 607,032 | 0 | 607,032 |
| <i>Net Change in Fund Balance</i> | 0 | 607,032 | 607,032 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$0</u> | <u>\$607,032</u> | <u>\$607,032</u> |

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, 2021

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance - Positive (Negative)</u> |
|--------------------------------------|---------------------------|---------------------------|---|
| Revenues | | | |
| Charges for Services | \$0 | \$136,221 | \$136,221 |
| Expenses | | | |
| Claims | <u>250,000</u> | <u>136,221</u> | <u>113,779</u> |
| <i>Net Change in Fund Equity</i> | (250,000) | 0 | 250,000 |
| <i>Fund Equity Beginning of Year</i> | <u>1,500,000</u> | <u>1,500,000</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u><u>\$1,250,000</u></u> | <u><u>\$1,500,000</u></u> | <u><u>\$250,000</u></u> |

STATISTICAL SECTION



Statistical Section

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

| 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 Annual Comprehensive Financial Reports for the relevant year.

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

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018 (4)</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$71,970,337 | \$72,816,039 | \$71,765,502 | \$71,879,216 |
| Restricted | 14,633,382 | 14,096,600 | 15,211,933 | 9,210,147 |
| Unrestricted (Deficit) | <u>6,313,883</u> | <u>(4,881,502)</u> | <u>(3,096,089)</u> | <u>(11,622,490)</u> |
| <i>Total Governmental Activities</i> <i>Net Position</i> | <u>\$92,917,602</u> | <u>\$82,031,137</u> | <u>\$83,881,346</u> | <u>\$69,466,873</u> |

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

| <u>2017 (3)</u> | <u>2016</u> | <u>2015 (1)</u> | <u>2014 (2)</u> | <u>2013</u> | <u>2012</u> |
|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| \$70,352,464 | \$72,371,648 | \$68,776,471 | \$68,483,072 | \$69,178,482 | \$69,977,360 |
| 9,738,490 | 10,024,640 | 10,417,622 | 4,005,903 | 9,570,500 | 4,405,108 |
| <u>(12,040,821)</u> | <u>18,052,420</u> | <u>23,490,781</u> | <u>23,492,977</u> | <u>40,034,861</u> | <u>37,588,939</u> |
| <u>\$68,050,133</u> | <u>\$100,448,708</u> | <u>\$102,684,874</u> | <u>\$95,981,952</u> | <u>\$118,783,843</u> | <u>\$111,971,407</u> |

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

| | 2021 | 2020 | 2019 | 2018 (5) | 2017 |
|---|---------------------|----------------------|---------------------|----------------------|----------------------|
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services and Operating Assessments: | | | | | |
| General Government (3) | \$133,454 | \$193,617 | \$181,985 | \$283,511 | \$62,204 |
| Public Safety | | | | | |
| Police | 499,167 | 636,208 | 972,942 | 837,690 | 920,482 |
| Fire | 1,069,980 | 1,018,780 | 1,165,872 | 1,121,174 | 1,067,227 |
| Health and Welfare (7) | 0 | 0 | 179,510 | 159,768 | 151,837 |
| Culture and Recreation | 745,539 | 35,463 | 967,271 | 946,086 | 911,305 |
| Building and Community Development | 1,738,742 | 1,376,373 | 1,007,910 | 1,155,815 | 1,009,279 |
| Operating Grants and Contributions | 1,581,512 | 1,579,124 | 763,100 | 604,299 | 577,788 |
| Capital Grants and Assessments | 76,000 | 0 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | | | | | |
| <i>Program Revenues</i> | <u>5,844,394</u> | <u>4,839,565</u> | <u>5,238,590</u> | <u>5,108,343</u> | <u>4,700,122</u> |
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General Government | 12,427,670 | 13,817,557 | 14,226,642 | 13,184,644 | 6,006,746 |
| Public Safety | | | | | |
| Police | 9,083,614 | 12,235,542 | 5,691,197 | 12,384,365 | 10,912,329 |
| Fire | 9,310,350 | 10,413,971 | 1,189,562 | 10,124,266 | 8,834,478 |
| Public Services | 8,735,102 | 14,557,931 | 14,503,424 | 14,004,105 | 17,334,140 |
| Health and Welfare (7) | 0 | 0 | 755,917 | 680,821 | 653,796 |
| Culture and Recreation | 2,131,856 | 2,334,835 | 3,195,413 | 2,981,223 | 3,068,098 |
| Building and Community Development | 899,829 | 1,408,867 | 1,703,788 | 1,375,347 | 1,315,950 |
| Interest and Fiscal Charges | 342,631 | 505,252 | 607,961 | 661,617 | 510,788 |
| <i>Total Governmental Activities Expenses</i> | <u>42,931,052</u> | <u>55,273,955</u> | <u>41,873,904</u> | <u>55,396,388</u> | <u>48,636,325</u> |
| <i>Total Primary Government Net Expense</i> | <u>(37,086,658)</u> | <u>(50,434,390)</u> | <u>(36,635,314)</u> | <u>(50,288,045)</u> | <u>(43,936,203)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental Activities: | | | | | |
| Property Taxes Levied For: | | | | | |
| General Purposes | 3,050,260 | 2,862,897 | 2,797,545 | 2,321,760 | 2,391,231 |
| Police Pension | 247,318 | 232,107 | 225,295 | 188,264 | 193,890 |
| Payments in Lieu of Taxes (6) | 4,573,517 | 4,470,526 | 4,467,725 | 5,144,070 | N/A |
| Municipal Income Taxes Levied | | | | | |
| For General Purposes | 37,712,799 | 37,676,377 | 38,158,389 | 35,617,726 | 31,142,611 |
| Admission, Lodging, and Franchise Taxes | 903,742 | 793,102 | 1,503,167 | 1,532,086 | 1,530,036 |
| Estate Taxes (4) | 0 | 0 | 4,253 | 1,325 | 16,795 |
| Grants and Entitlements not Restricted to | | | | | |
| Specific Programs | 448,799 | 657,586 | 418,287 | 334,032 | 873,277 |
| Investment Earnings | 164,483 | 980,316 | 1,696,330 | 557,805 | 282,320 |
| Health Care Reimbursements (2) | 0 | 0 | 608,325 | 595,177 | 539,444 |
| Gain on Sale of Capital Assets | 644,695 | 723,515 | 0 | 211,333 | 0 |
| Other | 227,510 | 187,755 | 1,170,471 | 872,354 | 315,586 |
| <i>Total Governmental Activities</i> | <u>47,973,123</u> | <u>48,584,181</u> | <u>51,049,787</u> | <u>47,375,932</u> | <u>37,285,190</u> |
| <i>Total Primary Government</i> | | | | | |
| <i>Change in Net Position</i> | <u>\$10,886,465</u> | <u>(\$1,850,209)</u> | <u>\$14,414,473</u> | <u>(\$2,912,113)</u> | <u>(\$6,651,013)</u> |

(1) Reflects restated amount due to overstatement of property taxes receivable. Due to a Ohio Board of Tax Appeals ruling, the Cleveland Clinic received property tax exemption status. The Cleveland Clinic and University Hospitals were both included in 2015 delinquent property taxes and should not have been. The significantly lower property tax amount in 2015 reflects the removal of these entities from delinquent property taxes.

(2) Starting in 2012, the City required employees to contribute health care premiums. Starting in 2020, health care reimbursements are no longer shown as revenue. They are a reduction to health care expense.

(3) 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. In 2018, the City leased a building to another company.

(4) The Ohio Estate Tax law was repealed effective January 1, 2013.

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

(6) Implementing GASB 84 in 2019 resulted in TIF funds being included in Governmental Activities. This data is not available prior to 2018.

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

| 2016 | 2015 (1) | 2014 | 2013 | 2012 |
|---------------|--------------|--------------|--------------|--------------|
| \$123,970 | \$50,062 | \$47,133 | \$63,237 | \$339,527 |
| 944,331 | 738,114 | 881,280 | 533,700 | 412,230 |
| 1,118,208 | 1,040,227 | 972,782 | 907,496 | 916,111 |
| 175,440 | 183,947 | 148,586 | 119,648 | 157,381 |
| 886,806 | 877,917 | 877,132 | 876,424 | 864,037 |
| 1,113,899 | 836,062 | 864,594 | 2,095,827 | 877,811 |
| 580,804 | 561,164 | 567,487 | 648,516 | 695,557 |
| 0 | 7,040,066 | 0 | 719,852 | 0 |
| 4,943,458 | 11,327,559 | 4,358,994 | 5,964,700 | 4,262,654 |
| 5,259,319 | 5,473,129 | 6,123,993 | 4,950,386 | 5,383,560 |
| 11,441,604 | 8,822,787 | 8,845,911 | 8,602,587 | 8,513,081 |
| 8,427,825 | 7,586,492 | 7,332,233 | 6,862,847 | 6,609,326 |
| 13,799,108 | 12,630,671 | 13,373,133 | 12,271,829 | 11,927,501 |
| 624,340 | 582,497 | 576,967 | 513,481 | 583,900 |
| 2,919,961 | 2,807,443 | 2,726,458 | 2,801,539 | 2,828,722 |
| 1,238,072 | 1,126,129 | 1,123,734 | 1,067,749 | 959,081 |
| 546,941 | 458,314 | 785,182 | 823,376 | 746,738 |
| 44,257,170 | 39,487,462 | 40,887,611 | 37,893,794 | 37,551,909 |
| (39,313,712) | (28,159,903) | (36,528,617) | (31,929,094) | (33,289,255) |
| 2,200,373 | 427,661 | 3,081,419 | 2,936,550 | 2,674,494 |
| 178,401 | 36,662 | 253,704 | 241,277 | 216,427 |
| N/A | N/A | N/A | N/A | N/A |
| 31,406,702 | 31,413,201 | 29,394,461 | 29,892,959 | 28,447,634 |
| 1,588,838 | 1,535,722 | 1,433,399 | 1,323,455 | 1,336,222 |
| 12,140 | 34,935 | 1,762,024 | 2,580,934 | 3,115,899 |
| 399,031 | 407,038 | 436,170 | 385,209 | 496,054 |
| 279,519 | 148,034 | 169,279 | 174,277 | 145,983 |
| 486,753 | 455,050 | 573,207 | 530,652 | 479,070 |
| 0 | 0 | 0 | 0 | 0 |
| 525,789 | 404,522 | 638,345 | 676,217 | 286,935 |
| 37,077,546 | 34,862,825 | 37,742,008 | 38,741,530 | 37,198,718 |
| (\$2,236,166) | \$6,702,922 | \$1,213,391 | \$6,812,436 | \$3,909,463 |

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

| | 2021 | 2020 | 2019 | 2018 (1) |
|------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | | | | |
| Nonspendable | \$1,396,727 | \$1,515,687 | \$1,789,300 | \$1,116,696 |
| Committed | 1,238,017 | 855,562 | 462,785 | 233,883 |
| Assigned | 9,261,741 | 7,577,785 | 1,411,891 | 1,159,553 |
| Unassigned | 26,002,014 | 27,586,615 | 31,886,921 | 29,997,388 |
| <i>Total General Fund</i> | <u>37,898,499</u> | <u>37,535,649</u> | <u>35,550,897</u> | <u>32,507,520</u> |
| All Other Governmental Funds | | | | |
| Restricted | 9,870,144 | 8,896,957 | 9,574,383 | 8,658,423 |
| Committed | 2,964,244 | 949,095 | 426,780 | 803,068 |
| Assigned | 10,201,428 | 11,039,994 | 11,596,800 | 10,030,600 |
| Total All Other Governmental Funds | <u>23,035,816</u> | <u>20,886,046</u> | <u>21,597,963</u> | <u>19,492,091</u> |
| <i>Total Governmental Funds</i> | <u><u>\$60,934,315</u></u> | <u><u>\$58,421,695</u></u> | <u><u>\$57,148,860</u></u> | <u><u>\$51,999,611</u></u> |

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

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$1,031,801 | \$1,256,882 | \$1,257,388 | \$1,197,983 | \$1,081,452 | \$1,057,697 |
| 330,578 | 209,021 | 348,655 | 390,694 | 261,150 | 233,569 |
| 924,832 | 983,890 | 948,993 | 1,266,580 | 1,572,707 | 1,195,872 |
| 27,811,086 | 26,750,185 | 23,731,765 | 22,513,741 | 28,648,180 | 26,374,028 |
| 30,098,297 | 29,199,978 | 26,286,801 | 25,368,998 | 31,563,489 | 28,861,166 |
| 8,225,090 | 2,371,476 | 2,136,854 | 1,847,522 | 1,776,045 | 1,438,347 |
| 886,010 | 691,523 | 2,612,281 | 194,360 | 25,657 | 385,869 |
| 11,669,582 | 14,010,045 | 16,159,439 | 13,142,368 | 5,596,712 | 507,438 |
| 20,780,682 | 17,073,044 | 20,908,574 | 15,184,250 | 7,398,414 | 2,331,654 |
| \$50,878,979 | \$46,273,022 | \$47,195,375 | \$40,553,248 | \$38,961,903 | \$31,192,820 |

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

| | 2021 | 2020 | 2019 | 2018 (3) | 2017 |
|--|--------------------|--------------------|--------------------|----------------------|--------------------|
| Revenues | | | | | |
| Property Taxes | \$3,061,008 | \$3,028,975 | \$3,017,332 | \$2,756,817 | \$2,772,437 |
| Municipal Income Taxes | 37,649,248 | 37,554,566 | 38,375,841 | 35,345,344 | 30,875,367 |
| Charges for Services | 2,268,254 | 1,718,829 | 3,002,543 | 3,212,687 | 2,811,098 |
| Fines, Licenses, and Permits | 1,880,159 | 1,530,145 | 1,280,172 | 1,096,226 | 1,290,776 |
| Intergovernmental | 2,059,409 | 2,209,369 | 1,127,252 | 915,248 | 1,456,226 |
| Estate Taxes | 0 | 0 | 4,253 | 1,325 | 16,795 |
| Admission Taxes | 298,442 | 256,109 | 348,689 | 338,557 | 340,084 |
| Lodging Taxes | 481,643 | 405,194 | 1,020,252 | 1,053,716 | 1,056,185 |
| Franchise Taxes | 123,657 | 131,799 | 134,226 | 139,813 | 133,767 |
| Rentals (1) | 0 | 0 | 170,802 | 174,851 | 0 |
| Health Care Reimbursements (2) | 0 | 620,707 | 608,325 | 595,177 | 539,444 |
| Payments in Lieu of Taxes | 4,573,517 | 4,470,526 | 4,467,725 | 5,144,070 | n/a |
| Special Assessments | 508,045 | 598,738 | 609,570 | 608,896 | 609,309 |
| Interest | 182,437 | 999,932 | 1,727,412 | 578,495 | 290,336 |
| Other | 227,510 | 187,755 | 1,170,471 | 872,354 | 315,586 |
| Total Revenues | 53,313,329 | 53,712,644 | 57,064,865 | 52,833,576 | 42,507,410 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | 13,585,580 | 13,066,747 | 12,927,435 | 12,282,766 | 5,201,196 |
| Public Safety | | | | | |
| Police | 11,464,218 | 11,221,725 | 10,677,654 | 10,526,238 | 9,770,097 |
| Fire | 8,637,163 | 9,287,120 | 8,320,491 | 7,957,349 | 7,565,990 |
| Public Services | 9,404,355 | 9,544,733 | 9,178,263 | 9,873,149 | 9,874,685 |
| Health and Welfare (4) | 0 | 382,826 | 631,186 | 615,967 | 674,271 |
| Culture and Recreation | 2,092,209 | 1,419,476 | 2,503,104 | 2,456,726 | 2,509,420 |
| Building and Community Development | 1,644,787 | 1,311,800 | 1,384,016 | 1,433,545 | 1,140,131 |
| Capital Outlay | 3,261,415 | 1,977,839 | 3,402,279 | 9,550,126 | 8,018,740 |
| Debt Service: | | | | | |
| Principal Retirement | 3,080,000 | 4,505,000 | 2,205,000 | 2,110,000 | 1,840,000 |
| Interest and Fiscal Charges | 472,513 | 624,597 | 686,188 | 777,813 | 513,813 |
| Bond Issuance Costs | 0 | 0 | 0 | 0 | 171,180 |
| Total Expenditures | 53,642,240 | 53,341,863 | 51,915,616 | 57,583,679 | 47,279,523 |
| Excess of Revenues Over (Under) Expenditures | (328,911) | 370,781 | 5,149,249 | (4,750,103) | (4,772,113) |
| Other Financing Sources (Uses) | | | | | |
| Sale of Capital Assets | 2,841,531 | 902,054 | 0 | 1,300,000 | 0 |
| Payment to Refunded Bond Escrow Account | 0 | 0 | 0 | 0 | 0 |
| Premium on Bonds | 0 | 0 | 0 | 0 | 378,070 |
| General Obligation Bonds Issued | 0 | 0 | 0 | 0 | 9,000,000 |
| Special Assessment Bonds Issued | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 4,300,000 | 3,400,000 | 6,000,000 | 4,000,000 | 12,761,000 |
| Transfers Out | (4,300,000) | (3,400,000) | (6,000,000) | (4,000,000) | (12,761,000) |
| Total Other Financing Sources (Uses) | 2,841,531 | 902,054 | 0 | 1,300,000 | 9,378,070 |
| Net Change in Fund Balances | \$2,512,620 | \$1,272,835 | \$5,149,249 | (\$3,450,103) | \$4,605,957 |
| Debt Service as a Percentage of Noncapital Expenditures | 7.05% | 10.04% | 5.88% | 6.02% | 6.12% |

(1) 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. In 2018, the City leased a building to another company.

(2) Starting in 2012, the City required employees to contribute towards health care premiums. Starting in 2021, health care reimbursements are no longer shown as revenue. They are a reduction to health care expense.

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

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

| 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------|-------------|--------------|-------------|-------------|
| \$2,663,259 | \$2,527,134 | \$2,738,844 | \$2,569,556 | \$2,569,986 |
| 33,039,556 | 30,538,900 | 29,169,007 | 29,578,663 | 28,162,508 |
| 2,941,291 | 2,599,402 | 2,344,939 | 2,218,880 | 2,109,663 |
| 1,410,447 | 1,117,554 | 1,436,960 | 2,367,813 | 1,145,214 |
| 973,729 | 966,119 | 1,004,968 | 1,057,115 | 1,210,255 |
| 12,140 | 34,935 | 1,812,554 | 2,757,334 | 3,045,450 |
| 326,335 | 331,403 | 337,476 | 352,854 | 399,449 |
| 1,121,150 | 1,059,815 | 977,506 | 843,102 | 805,323 |
| 141,353 | 144,504 | 118,417 | 127,499 | 131,450 |
| 0 | 0 | 0 | 0 | 302,336 |
| 486,753 | 455,050 | 573,207 | 530,652 | 479,070 |
| n/a | n/a | n/a | n/a | n/a |
| 701,663 | 466,165 | 531,205 | 467,562 | 456,852 |
| 283,735 | 150,277 | 172,286 | 177,324 | 149,040 |
| 525,789 | 404,522 | 638,345 | 676,217 | 286,935 |
| 44,627,200 | 40,795,780 | 41,855,714 | 43,724,571 | 41,253,531 |
| 4,766,021 | 4,983,494 | 5,008,868 | 4,494,993 | 4,711,020 |
| 10,455,847 | 8,765,233 | 8,740,855 | 8,556,641 | 8,247,989 |
| 7,488,100 | 7,093,500 | 6,994,656 | 6,620,419 | 7,164,341 |
| 9,935,088 | 9,717,072 | 10,844,374 | 8,700,525 | 9,033,212 |
| 596,923 | 578,049 | 624,272 | 507,654 | 578,073 |
| 2,464,090 | 2,464,934 | 2,319,497 | 2,414,088 | 2,428,076 |
| 1,200,045 | 1,110,528 | 1,108,407 | 1,063,829 | 946,654 |
| 6,187,647 | 2,807,187 | 2,305,856 | 1,291,946 | 3,769,159 |
| 1,835,000 | 1,785,000 | 1,800,000 | 1,750,000 | 1,710,000 |
| 620,792 | 488,226 | 517,584 | 555,393 | 601,636 |
| 0 | 0 | 0 | 0 | 112,808 |
| 45,549,553 | 39,793,223 | 40,264,369 | 35,955,488 | 39,302,968 |
| (922,353) | 1,002,557 | 1,591,345 | 7,769,083 | 1,950,563 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | (6,427,283) |
| 0 | 324,570 | 0 | 0 | 290,092 |
| 0 | 0 | 0 | 0 | 6,250,000 |
| 0 | 5,315,000 | 0 | 0 | 0 |
| 3,766,400 | 4,766,400 | 11,810,604 | 7,805,204 | 2,650,000 |
| (3,766,400) | (4,766,400) | (11,810,604) | (7,805,204) | (2,650,000) |
| 0 | 5,639,570 | 0 | 0 | 112,809 |
| (\$922,353) | \$6,642,127 | \$1,591,345 | \$7,769,083 | \$2,063,372 |
| 6.49% | 6.28% | 6.37% | 6.74% | 6.83% |

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

| Tax Year | Tax Rate (1) | Total Tax Collected (2) | Taxes From Withholding | Percentage of Taxes From Withholding | Taxes From Net Profits |
|-------------|-----------------|----------------------------|------------------------------|---|---------------------------|
| 2021 | 2.00% | \$37,712,799 | \$28,763,552 | 76.27% | \$5,992,564 |
| 2020 | 2.00 | 37,676,377 | 29,982,861 | 79.58 | 4,762,294 |
| 2019 | 2.00 | 38,158,389 | 29,725,385 | 77.90 | 5,456,650 |
| 2018 (3) | 2.00 | 35,617,726 | 28,929,644 | 81.22 | 4,038,697 |
| 2017 | 2.00 | 31,142,611 | 24,602,663 | 79.00 | 3,955,112 |
| 2016 | 2.00 | 31,406,702 | 25,439,429 | 81.00 | 3,580,364 |
| 2015 | 2.00 | 31,413,201 | 25,036,321 | 79.70 | 4,177,956 |
| 2014 | 2.00 | 29,394,461 | 24,221,036 | 82.40 | 3,027,629 |
| 2013 | 2.00 | 29,892,959 | 23,884,474 | 79.90 | 4,065,442 |
| 2012 | 2.00 | 28,447,634 | 22,729,660 | 79.90 | 3,698,192 |

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

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

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

| Percentage of Taxes From Net Profits | Taxes From Individuals | Percentage of Taxes From Individuals |
|---|------------------------------|---|
| 15.89% | \$2,956,683 | 7.84% |
| 12.64 | 2,931,222 | 7.78 |
| 14.30 | 2,976,354 | 7.80 |
| 11.34 | 2,649,385 | 7.44 |
| 12.70 | 2,584,837 | 8.30 |
| 11.40 | 2,386,909 | 7.60 |
| 13.30 | 2,198,924 | 7.00 |
| 10.30 | 2,145,796 | 7.30 |
| 13.60 | 1,943,042 | 6.50 |
| 13.00 | 2,019,782 | 7.10 |

City of Beachwood, Ohio
Income Tax Statistics
 2020 (1) and Nine Years Ago

| 2020 | | | | |
|-------------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| \$0-\$24,999 | 862 | 22.48% | \$8,613,286 | 1.71% |
| \$25,000-\$49,999 | 523 | 13.64 | 19,486,234 | 3.88 |
| \$50,000-\$74,999 | 515 | 13.43 | 32,084,996 | 6.38 |
| \$75,000-\$99,999 | 368 | 9.60 | 31,878,450 | 6.34 |
| Over \$100,000 | 1,567 | 40.85 | 410,752,025 | 81.69 |
| Total | <u>3,835</u> | | <u>\$502,814,991</u> | |

| 2012 | | | | |
|-------------------|------------------|-------------------|----------------------|---------------------------|
| Income Range | Number of Filers | Percent of Filers | Taxable Income | Percent of Taxable Income |
| \$0-\$24,999 | 1,121 | 29.42% | \$9,782,533 | 2.36% |
| \$25,000-\$49,999 | 602 | 15.80 | 22,366,020 | 5.39 |
| \$50,000-\$74,999 | 456 | 11.97 | 28,158,905 | 6.79 |
| \$75,000-\$99,999 | 344 | 9.03 | 29,976,225 | 7.22 |
| Over \$100,000 | 1,287 | 33.78 | 324,720,621 | 78.24 |
| Total | <u>3,810</u> | | <u>\$415,004,304</u> | |

(1) 2020 is the latest information available.

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

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

| 2021 | |
|--------------------------------|---------|
| Taxpayer | Ranking |
| Cleveland Clinic Foundation | 1 |
| * Eaton Corporation | 2 |
| * University Hospitals | 3 |
| Menorah Park Center | 4 |
| Site Centers | 5 |
| Master Builders Solutions | 6 |
| Tremco Incorporated | 7 |
| Beachwood City School District | 8 |
| City of Beachwood | 9 |
| Mim Software | 10 |

| 2012 | |
|--------------------------------|---------|
| Taxpayer | Ranking |
| Cleveland Clinic Foundation | 1 |
| Developers Diversified | 2 |
| Bank of America | 3 |
| Aleris Ohio Management | 4 |
| Menorah Park Center | 5 |
| Tremco Incorporated | 6 |
| BASF, Corporation | 7 |
| Beachwood City School District | 8 |
| City of Beachwood | 9 |
| Montefire Home | 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

| | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total Assessed Property Value | <u>\$912,477,130</u> | <u>\$847,441,300</u> | <u>\$834,526,610</u> | <u>\$809,493,510</u> |
| General Bonded Debt Outstanding: | | | | |
| General Obligation Bonds | \$7,985,000 | \$10,835,000 | \$14,675,000 | \$16,475,000 |
| Bond Anticipation Notes | 0 | 0 | 0 | 0 |
| Special Assessment Bonds | <u>4,075,000</u> | <u>4,305,000</u> | <u>4,970,000</u> | <u>5,375,000</u> |
| Total Gross Indebtedness | 12,060,000 | 15,140,000 | 19,645,000 | 21,850,000 |
| Less: | | | | |
| Special Assessment Bonds | (4,075,000) | (4,305,000) | (4,970,000) | (5,375,000) |
| Debt Service Fund Balance | <u>(435,609)</u> | <u>(239,683)</u> | <u>(1,402,877)</u> | <u>(726,674)</u> |
| Total Net Debt Applicable to Debt Limit | <u>7,549,391</u> | <u>10,595,317</u> | <u>13,272,123</u> | <u>15,748,326</u> |
| Overall Legal Debt Limit (10 1/2% of Assessed Valuation) | <u>95,810,099</u> | <u>88,981,337</u> | <u>87,625,294</u> | <u>84,996,819</u> |
| Legal Debt Margin within 10 1/2% Limitation | <u>\$88,260,708</u> | <u>\$78,386,020</u> | <u>\$74,353,171</u> | <u>\$69,248,493</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 92.12% | 88.09% | 84.85% | 81.47% |
| Unvoted Debt Limitation 5 1/2% of Assessed Valuation | <u>\$50,186,242</u> | <u>\$46,609,272</u> | <u>\$45,898,964</u> | <u>\$44,522,143</u> |
| Total Gross Indebtedness | 12,060,000 | 15,140,000 | 19,645,000 | 21,850,000 |
| Less: | | | | |
| Special Assessment Bonds | (4,075,000) | (4,305,000) | (4,970,000) | (5,375,000) |
| Debt Service Fund Balance | <u>(435,609)</u> | <u>(239,683)</u> | <u>(1,402,877)</u> | <u>(726,674)</u> |
| Net Debt within 5 1/2% Limitation | <u>7,549,391</u> | <u>10,595,317</u> | <u>13,272,123</u> | <u>15,748,326</u> |
| Unvoted Legal Debt Margin within 5 1/2% Limitation | <u>\$42,636,851</u> | <u>\$36,013,955</u> | <u>\$32,626,841</u> | <u>\$28,773,817</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation | 84.96% | 77.27% | 71.08% | 64.63% |

Source: City Financial Records

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>\$759,604,780</u> | <u>\$756,858,970</u> | <u>\$813,853,540</u> | <u>\$806,226,910</u> | <u>\$797,823,180</u> | <u>\$796,838,720</u> |
| \$18,195,000 | \$10,655,000 | \$12,085,000 | \$13,470,000 | \$14,885,000 | \$16,265,000 |
| 0 | 0 | 0 | 5,200,000 | 5,200,000 | 5,200,000 |
| <u>5,765,000</u> | <u>6,145,000</u> | <u>6,550,000</u> | <u>1,635,000</u> | <u>2,020,000</u> | <u>2,390,000</u> |
| 23,960,000 | 16,800,000 | 18,635,000 | 20,305,000 | 22,105,000 | 23,855,000 |
| (5,765,000) | (6,145,000) | (6,550,000) | (1,635,000) | (2,020,000) | (2,390,000) |
| <u>(1,045,726)</u> | <u>(862,918)</u> | <u>(785,931)</u> | <u>(438,574)</u> | <u>(397,600)</u> | <u>(423,590)</u> |
| <u>17,149,274</u> | <u>9,792,082</u> | <u>11,299,069</u> | <u>18,231,426</u> | <u>19,687,400</u> | <u>21,041,410</u> |
| <u>79,758,502</u> | <u>79,470,192</u> | <u>85,454,622</u> | <u>84,653,826</u> | <u>83,771,434</u> | <u>83,668,066</u> |
| <u>\$62,609,228</u> | <u>\$69,678,110</u> | <u>\$74,155,553</u> | <u>\$66,422,400</u> | <u>\$64,084,034</u> | <u>\$62,626,656</u> |
| 78.50% | 87.68% | 86.78% | 78.46% | 76.50% | 74.85% |
| <u>\$41,778,263</u> | <u>\$41,627,243</u> | <u>\$44,761,945</u> | <u>\$44,342,480</u> | <u>\$43,880,275</u> | <u>\$43,826,130</u> |
| 23,960,000 | 16,800,000 | 18,635,000 | 20,305,000 | 22,105,000 | 23,855,000 |
| (5,765,000) | (6,145,000) | (6,550,000) | (1,635,000) | (2,020,000) | (2,390,000) |
| <u>(1,045,726)</u> | <u>(862,918)</u> | <u>(785,931)</u> | <u>(438,574)</u> | <u>(397,600)</u> | <u>(423,590)</u> |
| <u>17,149,274</u> | <u>9,792,082</u> | <u>11,299,069</u> | <u>18,231,426</u> | <u>19,687,400</u> | <u>21,041,410</u> |
| <u>\$24,628,989</u> | <u>\$31,835,161</u> | <u>\$33,462,876</u> | <u>\$26,111,054</u> | <u>\$24,192,875</u> | <u>\$22,784,720</u> |
| 58.95% | 76.48% | 74.76% | 58.88% | 55.13% | 51.99% |

City of Beachwood, Ohio
Computation of Direct and Overlapping Governmental Activities Debt
December 31, 2021

| | Governmental Activities Debt Outstanding | Percentage Applicable to City (1) | Amount Applicable to City of Beachwood |
|---|--|---|---|
| Direct - City of Beachwood, Ohio | | | |
| General Obligation Bonds | \$8,300,058 | 100.00% | \$8,300,058 |
| Special Assessment Bonds | 4,295,437 | 100.00% | 4,295,437 |
| <i>Total Direct</i> | <u>12,595,495</u> | | <u>12,595,495</u> |
| Overlapping | | | |
| Beachwood City Schools | | | |
| General Obligation Bonds | 18,617,336 | 99.68% | 18,557,761 |
| Notes Payable | 8,227,650 | 99.68% | 8,201,322 |
| Cuyahoga County | | | |
| General Obligation Bonds | 265,599,988 | 2.62% | 6,958,720 |
| Revenue Bonds | 452,186,168 | 2.62% | 11,847,278 |
| Certificates of Participation | 197,622,397 | 2.62% | 5,177,707 |
| Loans Payable | 1,434,868 | 2.62% | 37,594 |
| Capital Leases | 260,966,852 | 2.62% | 6,837,332 |
| Regional Transit Authority | <u>114,218,677</u> | 2.62% | <u>2,992,529</u> |
| <i>Total Overlapping</i> | <u>1,318,873,936</u> | | <u>60,610,241</u> |
| <i>Totals</i> | <u><u>\$1,331,469,431</u></u> | | <u><u>\$73,205,736</u></u> |

Source: Cuyahoga County, Ohio; Fiscal Officer

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

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

| Year | General Bonded Debt | Total Assessed Property Value | Percentage of Assessed Property Value | Per Capita (2) |
|------|------------------------|-------------------------------------|---|-------------------|
| 2021 | \$8,300,058 | \$912,447,130 | 0.91% | \$591 |
| 2020 | 11,257,850 | 847,441,300 | 1.33 | 942 |
| 2019 | 15,188,389 | 834,526,610 | 1.82 | 1,271 |
| 2018 | 17,045,256 | 809,493,510 | 2.11 | 1,426 |
| 2017 | 18,822,122 | 759,604,780 | 2.48 | 1,575 |
| 2016 | 10,948,316 | 756,858,970 | 1.45 | 916 |
| 2015 | 12,422,396 | 813,853,540 | 1.53 | 1,039 |
| 2014 | 13,851,686 | 806,226,910 | 1.72 | 1,159 |
| 2013 | 15,310,976 | 797,823,180 | 1.92 | 1,281 |
| 2012 | 16,735,266 | 796,838,720 | 2.10 | 1,400 |

(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) |
|--------------------------------|---------------|---|-------------------|
| \$4,295,437 | \$12,595,495 | 2.19% | \$897 |
| 4,541,665 | 15,799,515 | 2.75 | 1,322 |
| 5,222,894 | 20,411,283 | 3.56 | 1,708 |
| 5,644,123 | 22,689,379 | 3.95 | 1,898 |
| 6,050,351 | 24,872,473 | 4.33 | 2,081 |
| 6,446,580 | 17,394,896 | 3.03 | 1,455 |
| 6,867,808 | 19,290,204 | 3.36 | 1,614 |
| 1,635,000 | 15,486,686 | 2.70 | 1,296 |
| 2,020,000 | 17,330,976 | 3.02 | 1,450 |
| 2,390,000 | 19,125,266 | 3.33 | 1,600 |

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) |
|------|----------------|------------------------------|--------------------------------------|-----------------------------------|-------------------|
| 2021 | 14,040 | \$783,488,160 | \$55,804 | \$88,709 | 51.4 |
| 2020 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2019 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2018 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2017 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2016 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2015 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2014 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2013 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |
| 2012 | 11,953 | 573,863,530 | 48,010 | 71,932 | 52.5 |

(1) Source: 2010 and 2020 U.S. Census.

(2) Source: Beachwood City School District

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

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

(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 |
|-----------------------|---|---------------------------------------|---|-------------------------------|
| 1,608 | 62.8% | 6.5% | \$397,000 | \$912,477,130 |
| 1,607 | 55.6 | 10.4 | 357,300 | 847,441,300 |
| 1,548 | 55.6 | 4.2 | 362,400 | 834,526,610 |
| 1,520 | 55.6 | 5.2 | 295,500 | 809,493,510 |
| 1,510 | 55.6 | 5.9 | 301,775 | 759,604,780 |
| 1,498 | 55.6 | 5.4 | 282,364 | 756,858,970 |
| 1,435 | 55.6 | 5.0 | 277,514 | 813,853,540 |
| 1,414 | 55.6 | 6.4 | 269,365 | 806,226,910 |
| 1,497 | 55.6 | 7.2 | 274,896 | 797,823,180 |
| 1,536 | 55.6 | 7.1 | 252,595 | 796,838,720 |

City of Beachwood, Ohio

Principal Employers

2020 (1) and 2011

| 2020 | | |
|----------------------------------|---------------|---------------------|
| Employer | Employees | Percentage of Total |
| Cleveland Clinic Foundation | 2,327 | 10.22% |
| University Hospitals | 2,105 | 9.25 |
| Menorah Park Center | 1,454 | 6.39 |
| Eaton Corporation | 923 | 4.06 |
| Beachwood City School District | 507 | 2.23 |
| Select Employment Services | 467 | 2.05 |
| Montefiore Home | 416 | 1.83 |
| Penske Logistics | 364 | 1.60 |
| City of Beachwood | 304 | 1.34 |
| Lifetime Fitness Club | 250 | 1.09 |
| Total | <u>9,117</u> | <u>40.06%</u> |
| Total Employment within the City | <u>22,760</u> | |

| 2011 | | |
|----------------------------------|---------------|---------------------|
| Employer | Employees | Percentage of Total |
| Bank of America | 1,478 | 6.48% |
| Cleveland Clinic Foundation | 1,355 | 5.94 |
| Menorah Park Center | 1,039 | 4.56 |
| Nordstrom | 620 | 2.72 |
| Beachwood City School District | 577 | 2.53 |
| Harborside of Cleveland | 500 | 2.19 |
| Developers Diversified | 539 | 2.36 |
| Montefire Home | 543 | 2.38 |
| City of Beachwood | 479 | 2.10 |
| Banc of America Card Servicing | 299 | 1.33 |
| Total | <u>7,429</u> | <u>32.59%</u> |
| Total Employment within the City | <u>22,796</u> | |

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

(1) Information for 2021 was not available as of 12/31/21.

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

| Function/Program | 2021 | 2020 | 2019 | 2018 |
|---|---------|---------|---------|---------|
| General Government | | | | |
| Square Footage Occupied | 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 | 33 | 34 | 32 | 32 |
| 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 (1) | 25,615 | 25,615 | 25,615 | 25,615 |
| Vehicles | 16 | 16 | 16 | 16 |
| Public Service | | | | |
| Streets (miles) | 46 | 46 | 46 | 46 |
| Vehicles | 64 | 67 | 67 | 67 |
| Square Footage of Building | 182,000 | 300,000 | 300,000 | 300,000 |
| Culture and Recreation | | | | |
| Number of Parks (2) | 3 | 3 | 3 | 2 |
| Number of Pools | 1 | 1 | 1 | 1 |
| Vehicles | 7 | 7 | 7 | 7 |
| Square Footage of Community Center | 14,000 | 14,000 | 14,000 | 14,000 |
| Building and Community Development | | | | |
| Vehicles | 6 | 6 | 6 | 6 |

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

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

Source: City Hall records

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------|---------|---------|---------|---------|---------|
| 70,786 | 70,786 | 70,786 | 70,786 | 70,786 | 70,786 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 72,254 | 72,254 | 72,254 | 72,254 | 72,254 | 72,254 |
| 31 | 33 | 33 | 34 | 35 | 35 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 21,970 | 21,970 | 21,970 | 21,970 | 21,970 | 21,970 |
| 5,472 | 5,472 | 5,472 | 5,472 | 5,472 | 5,472 |
| 16 | 16 | 15 | 15 | 14 | 14 |
| 46 | 46 | 46 | 46 | 46 | 46 |
| 66 | 68 | 63 | 60 | 56 | 56 |
| 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 7 | 6 | 5 | 5 | 4 | 4 |
| 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| 6 | 6 | 6 | 6 | 6 | 6 |

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

| Function/Program | 2021 | 2020 (1) | 2019 | 2018 |
|---|--------|----------|--------|--------|
| General Government | | | | |
| Number of Ordinances and Resolutions | 168 | 173 | 170 | 200 |
| Number of non-payroll checks processed | 3,237 | 3,373 | 3,975 | 4,046 |
| Number of purchase orders issued | 2,679 | 2,690 | 3,298 | 3,515 |
| Public Safety | | | | |
| Police | | | | |
| Total arrests | 516 | 527 | 1,041 | 1,167 |
| Drug arrests | 23 | 48 | 53 | 290 |
| OVI arrests (formally DUI) | 56 | 36 | 117 | 147 |
| Warrants served | 166 | 151 | 406 | 324 |
| Fire | | | | |
| Total EMS and Fire responses | 5,605 | 4,480 | 5,605 | 5,501 |
| Total Fire responses | 1,452 | 968 | 1,452 | 1,321 |
| Total EMS responses | 4,153 | 3,512 | 4,153 | 4,180 |
| Routine fire safety inspections | 1,258 | 1,765 | 1,275 | 1,326 |
| Re-inspections | 632 | 454 | 563 | 1,193 |
| Public Services | | | | |
| Tons of rubbish picked up | 3,737 | 3,879 | 3,429 | 3,410 |
| Tons of leaves collected for recycling | 1,260 | 942 | 603 | 487 |
| Number of trees planted | 304 | 219 | 221 | 222 |
| Number of catch basins cleaned and repaired | 547 | 33 | 210 | 131 |
| Tons of cold patch used | 10 | 10 | 0 | 31 |
| Tons of concrete poured and finished | 209 | 248 | 405 | 821 |
| Tons of salt purchased | 6,821 | 5,910 | 7,976 | 12,973 |
| Culture and Recreation | | | | |
| Total attendance at Aquatic Center | 44,420 | 0 | 44,002 | 49,755 |
| Building and Community Development | | | | |
| Number of permits issued | 203 | 283 | 388 | 355 |

N/A - Data not available

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

Source: City records

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------|--------|--------|--------|--------|--------|
| 171 | 168 | 187 | 152 | 167 | 202 |
| 4,286 | 4,326 | 4,234 | 4,280 | 4,137 | 4,417 |
| 3,839 | 4,233 | 4,363 | 4,445 | 4,143 | 4,290 |
| 955 | 745 | 733 | N/A | 1,037 | 723 |
| 157 | 34 | 7 | N/A | 34 | 18 |
| 87 | 107 | 102 | 97 | 61 | 42 |
| 398 | 301 | 248 | 322 | 116 | 147 |
| 5,178 | 5,262 | 4,980 | 4,609 | 4,593 | 4,514 |
| 979 | 985 | 957 | 907 | 1,351 | 1,365 |
| 4,199 | 4,277 | 4,023 | 3,702 | 3,242 | 3,149 |
| 666 | 657 | 1,385 | 1,525 | 1,137 | 1,248 |
| 373 | 306 | 611 | 830 | 930 | 1,045 |
| 3,380 | 3,297 | 3,416 | 3,310 | 3,296 | 3,189 |
| 409 | 409 | 405 | 2,835 | 2,640 | 2,600 |
| 255 | 428 | 469 | 145 | 204 | 236 |
| 205 | 439 | 495 | 545 | 527 | 461 |
| 10 | 199 | 20 | 20 | 19 | 23 |
| 662 | 1,275 | 530 | 1,152 | 514 | 1,381 |
| 8,414 | 7,345 | 10,532 | 16,457 | 8,262 | 3,908 |
| 46,179 | 48,482 | 49,401 | 44,031 | 45,049 | 49,504 |
| 365 | 419 | 454 | 375 | 329 | 334 |

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

| | 2021 | 2020 (2) | 2019 | 2018 |
|------------------------------------|--------------|--------------|--------------|--------------|
| General Government | | | | |
| Council | 7.0 | 7.0 | 7.0 | 7.0 |
| Mayor's Office | 3.0 | 3.0 | 3.0 | 3.0 |
| Economic Development | 0.0 | 0.0 | 1.0 | 1.0 |
| Human Resources | 2.0 | 2.0 | 2.0 | 2.0 |
| Finance | 10.0 | 10.0 | 11.0 | 11.0 |
| Law | 5.0 | 3.0 | 3.0 | 3.0 |
| Public Safety | | | | |
| Police Administration | 6.0 | 6.0 | 6.0 | 6.0 |
| Police Officers | 45.0 | 42.0 | 45.0 | 43.0 |
| Dispatchers | 15.0 | 15.0 | 15.0 | 14.0 |
| Police - Correction Officers | 8.0 | 8.5 | 8.5 | 8.5 |
| Police - Crossing Guards | 6.0 | 6.0 | 6.0 | 6.5 |
| Fire Administration | 5.5 | 5.5 | 5.5 | 5.0 |
| Fire Fighters | 42.0 | 42.0 | 42.0 | 42.0 |
| Public Service | 55.0 | 55.5 | 58.0 | 61.0 |
| Culture and Recreation | | | | |
| Recreation Administration | 10.0 | 13.5 | 13.5 | 13.5 |
| Recreation Camps | 37.5 | 0.0 | 48.5 | 51.5 |
| Recreation Other | 6.5 | 6.0 | 13.0 | 13.5 |
| Pool and Parks | 30.0 | 0.0 | 38.5 | 33.5 |
| Building and Community Development | | | | |
| Building Department | 10.5 | 10.5 | 10.5 | 10.5 |
| Total | <u>304.0</u> | <u>235.5</u> | <u>337.0</u> | <u>335.5</u> |

Source: City of Beachwood records

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

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

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

| 2017 | 2016 (1) | 2015 | 2014 | 2013 | 2012 |
|-------|----------|-------|-------|-------|-------|
| 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 1.5 |
| 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 10.0 | 7.0 | 9.0 | 9.0 | 9.0 | 9.5 |
| 3.5 | 2.5 | 4.5 | 4.5 | 2.5 | 2.5 |
| 6.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| 44.0 | 40.0 | 43.0 | 40.0 | 43.0 | 39.0 |
| 15.0 | 14.0 | 15.0 | 13.0 | 15.0 | 15.0 |
| 9.0 | 9.0 | 10.0 | 9.0 | 9.5 | 9.0 |
| 6.0 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| 5.0 | 6.0 | 6.0 | 6.5 | 6.5 | 6.5 |
| 42.0 | 40.0 | 42.0 | 42.0 | 39.0 | 38.0 |
| 60.0 | 59.5 | 57.5 | 55.0 | 55.0 | 59.5 |
| 13.5 | 13.5 | 13.0 | 13.5 | 13.5 | 13.5 |
| 51.5 | 47.0 | 48.5 | 50.5 | 50.0 | 45.0 |
| 12.5 | 17.0 | 17.0 | 18.0 | 18.0 | 19.5 |
| 30.0 | 30.5 | 31.5 | 32.5 | 36.5 | 37.0 |
| 10.5 | 9.5 | 10.5 | 10.5 | 10.5 | 9.5 |
| 331.5 | 319.0 | 331.0 | 327.5 | 331.5 | 326.5 |

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