Annual COMPREHENSIVE FINANCIAL REPORT 2023

FOR THE FISCAL YEAR
ENDED JUNE 30, 2023

HUDSON CITY SCHOOL DISTRICT

330-653-1200
www.hudson.k12.oh.us

76 N. Hayden Parkway
Hudson, OH 44236

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

HUDSON CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

Hudson City Schools®

Board of Education

Steven DiMauro, President
Alisa Wright, Vice President
James Field, Member
Tom Tobin, Member
Laura Jones, Member

PREPARED BY THE OFFICE OF THE TREASURER

Phillip D. Butto IV, Treasurer/CFO

HUDSON CITY SCHOOL DISTRICT
76 N. Hayden Parkway
Hudson, Ohio 44236

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INTRODUCTORY SECTION

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HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Hudson City School District
TREASURER'S OFFICE
76 North Hayden Parkway
Hudson, OH 44236
330-653-1270
330-656-2292 FAX

December 28, 2023

Citizens and Board of Education, Hudson City School District:

We are pleased to submit to you the Annual Comprehensive Financial Report of the Hudson City School District (the "District") for the fiscal year ended June 30, 2023. This Annual Comprehensive Financial Report, which includes an opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The report provides the taxpayers of the District, bond rating agencies, and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the District's finances. This report is intended to meet the accountability requirements of the District to the public.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, City of Hudson officials, major taxpayers, Hudson Public Library, banks, the District's Financial Advisory Committee, and any other interested parties.

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education and recreation offerings; and special education programs and facilities.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District, the primary government and its potential component units.

The District has administrative responsibility for state funds distributed to private schools located within District boundaries. The private schools served are: Seton Catholic School, and Walsh Jesuit High School. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, none of these organizations' financial statements are included in this report. Their Boards are not appointed by the District, nor are they fiscally dependent on the District.

The District And Its Facilities

The District serves an area of approximately 31 square miles in and around the City of Hudson (the "City"). It is located in Summit County, approximately 28 miles southeast of downtown Cleveland and 14 miles north of Akron. The District is an affluent suburban district that grew rapidly from 1980 to 2000 but has since leveled off. Nearly 100 percent of the City of Hudson and portions of two other municipalities and a township are located within the District. They are: the City of Cuyahoga Falls, the Village of Boston Heights and Boston Township. Hudson's population in 1980 was 12,645 residents. By 1990, according to the U.S. Census Bureau, Hudson's population had grown to 17,125 and the 2000 Census showed the population of the City of Hudson was 22,439. The 2010 Census showed a population of 22,262 and the 2020 Census showed 23,110.

Because of the rapid growth of Hudson and the surrounding area, the District recorded more than 19 consecutive years of increasing enrollment until fiscal year 2000 when enrollment slowed. The District's enrollment for fiscal year 2023 was 4,713 students. The District expects enrollment to grow slightly over the next few years.

The District's facilities include two elementary schools, one intermediate school (grades three to five), one middle school (grades six to eight), one high school (grades nine to twelve), a central office building, a maintenance building, a bus garage, athletic fields and field houses. The majority of the District's school buildings were built before 1967. The District implemented a Master Facilities Plan in 2018 to address the problem of aging buildings. The oldest building at the time, built in 1927, was torn down to make space for a new middle school. The Master Facilities Plan included construction of a new Middle School, realigning grades and renovating McDowell, East Woods, and Ellsworth Hill elementary schools, as well as renovating the High School Media Center. In addition, improvements were made to Lavelli Field, Ada Cooper Natatorium, and Evamere Elementary which consolidated the District's central office facilities and is now known as the Administrative Offices at Evamere.

Economic Condition And Outlook

Ohio's unemployment rate was 3.4 percent in June 2023, and the nation's unemployment rate for the same period was 3.6 percent. Additionally, June 2023 employment in the Akron Metropolitan Statistical Area was 337,000 with an unemployment rate of 3.8 percent. Specific employment figures for the Hudson City School District are not available. (Ohio Department of Job and Family Services, U.S. Bureau of Labor Statistics.)

Hudson is the headquarters for Boxout LLC, JoAnn Stores, Inc., Leaffilter North, Inc., ForTec Medical, Ramco Specialities, and is also home to the division headquarters of Little Tikes Co., and Allstate Insurance. Arhaus Corporation headquarters is located in Boston Heights within the Hudson City School District boundaries.

On a budgetary-basis, the District receives approximately 79 percent of its total general operating fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. Tax rates are certified by the Summit County Auditor's Office and Board of Education approved. This year's rates were Board approved on February 27, 2023.

The District has an excellent relationship with the City of Hudson, which assures that commercial development projects selected by the City are also highly desirable for the District. When the City of Hudson uses an incentive to attract a business, the City seeks the input of the School District to see the impact an abatement would cause. The District will continue to work with the City of Hudson to attract desirable development to the community.

Long-Term Financial Planning

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The five-year forecast provides early warning signs of potential financial problems. The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot.

Organization Of The District

The District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio law, the District is a separate and distinct unit of government. The Hudson City School District Board of Education is a five-member board elected at-large, with staggered four-year terms. The Board serves as the taxing authority, contracting body, policy maker, approves the annual appropriation resolution and tax budget and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars.

Principal Officials

BOARD MEMBERS

Name	Began	Expires	Profession
Steven DiMauro (President)	01-01-08	12-31-25	Associate Director, Accenture
James Field	01-01-12	12-31-23	Business Analyst, Heinen's Fine Foods
Laura Jones	08-01-22	12-31-23	Educator
Tom Tobin	01-01-16	12-31-23	Charitable Foundation Executive, Retired
Alisa Wright (Vice-President)	01-01-18	12-31-25	Attorney

ADMINISTRATION

Name	Position
Dana Addis	Superintendent
Phillip D. Butto IV	Treasurer/CFO
Doreen Osmun	Assistant Superintendent and Director of Curriculum & Instruction
Lisa Hunt	Director of Human Resources
Kelly Kempf	Director of Pupil Services
Tom Barone	Director of Operations
Jennifer Reece	Manager of Communications and Alumni Outreach
Meredith Zaffrann	Director of Community Education And Recreation

Employee Relations

The District currently has approximately 648 employees. Two labor organizations represent District employees. Certified employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Hudson Education Association (HEA). Support employees, including cooks, custodians, educational aides and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees Local 372 (OAPSE).

Services Provided

The District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The District contracts out its transportation of students. During the 2022-23 fiscal year, the District's fleet of buses traveled 3,086 miles each day providing transportation services to 2,541 public and 147 private and parochial students. The Nutrition Services Department served an average of 3,115 meals daily for a total of 548,343 meals annually through the District's school lunch program.

In addition to transportation and school lunch support services offered to children in the District, guidance, special education, (including school psychology services) and health services are available free of charge. Guidance services support the school environment and are designed to help students achieve a well-adjusted social life. Special education services, including school psychology services, are provided for all federal disability categories ranging from preschool-age students through high school. Health services consist of the staffing of school clinics with R.N. or L.P.N. level nurses and health promotion classes.

At the center of the District's services are its exceptional instructional programs. The District offers regular instructional programs daily to students in grades pre-kindergarten to twelve. The District served approximately 632 identified students who need specially designed programs. These students received services through the wide array of special education programs offered in the District.

Finally, there are numerous academic and athletic programs for students, providing them with a number of enriching experiences. Hudson Schools is known not only for its academic excellence but also the focus and importance placed on the arts, leadership, community service, and athletics. The District provides, through its Community Education and Recreation Department (HCER), a community-wide recreation program during the school year and throughout the summer months. The programs and activities provide a lifetime of memories for Hudson's students.

Academic Programming - Fiscal Year 2023

Hudson Schools is known not only for its academic excellence but also the focus and importance placed on the arts, leadership, community service, and athletics.

Academic Excellence
Hudson City Schools earned a 5-Star Overall Rating on Ohio's Local Report Card.

- Early Literacy 5 Stars
- Achievement 5 Stars
- Graduation Rate 5 Stars
- Progress 4 Stars
- Gap Closing 5 Stars

Hudson High School ranked # 19 in the state of Ohio according to the Fall of 2023 US News & World Report

Hudson Middle School ranked #19 in the state according to the recent 2023 US News and World Report. This puts Hudson Middle School in the top 1% of all Middle Schools in the Nation.

22 Advanced Placement courses are offered at Hudson High School

242 Seniors graduated with designated honors

- 81 - Summa Cum Laude (4.33 and above GPA)
- 76 - Magna Cum Laude (4.00 - 4.32 GPA)
- 85 - Cum Laude (3.67 - 3.99 GPA)

Higher Education Attendance - 93% of students attend higher education institutions:

- State Schools - 191 - 57%
- Private Schools - 44 - 13%
- 2 year/Tech College 8 - 2%
- Out of State Universities/Colleges 94 - 28%

National Merit Scholars

- 22 Seniors in class of 2023
  - 5 Finalists
  - 17 Commended

ACT Composite	State
2021 - 23.2	18.9
2022 - 23.0	18.7
2023 - 24.8	19.6

- 7 students earned perfect ACT Scores

East Woods Intermediate and Hudson High School Recognized as a Purple Heart School by the Ohio Department of Education.

Highlighting Unique Learning Opportunities

- Project-Based Learning across all grade levels
- Service Learning Course
  - Interdisciplinary course of American Government, Contemporary Issues and British Literature at the High School
- New Dimensions Course
  - Interdisciplinary Humanities Course at the High School
- Geometric Design
  - Geometry and Industrial Arts
- H2BE- Honors Biology and Honors English - Interdisciplinary Course
- Music Opportunities
  - Orchestra grades 4 - 12
  - Band grades 5 - 12
  - Choir grades 3 - 12
- Hudson Middle School offers electives in the arts that go beyond band, choir, and orchestra providing opportunities for students to explore their interests.

26 Career Programs offered through the Six District Educational Compact. Hudson hosts the Automotive Technology Program and the Video portion of Modern Communication course.

Six languages are taught in Hudson

- Spanish
- French
- German
- Mandarin Chinese
- Latin
- American Sign Language

The class of 2023 had 54 students earning a total of 55 Biliteracy seals

Highlighting the Student Experience

- All K- 5 have access to supplemental academic support tutors to provide support to students needing intervention in reading, “Reading Club.”
- Gifted programming for students in grades 3-8 provided by a Gifted Intervention Specialist.
- Diversity, equity, and inclusion professional development to support student well-being at school.
- English as a Second Language programming and support. Providing students and families with support as they are navigating a new learning environment.

- Using Panorama (student perception survey) to design support responsiveness to students' needs.
- Preschool for students with and without disabilities.
- Hudson Preschool earned the Five-Star Step Up To Quality Rating, the HIGHEST distinction.
- Mental wellness programs: Red Flags Program – assists staff to identify students who may be struggling with social or emotional problems; Positive Behavior Intervention Support, K-12, Zones of Regulation, Conscious Discipline, PBIS (Positive Behavior, Intervention, Supports), and ROX (Ruling Our Experience) for girls in grades 5 and 9-12.
- Providing counseling services through partner agencies to provide more intensive mental health counseling to individual students.
- School Counselors for all students (14 counselors work with students across the District).
- 3 Clinical counselors provide a more intensive level of support for identified students.
- Contracted with Minority Behavioral Health Group to support students.
- Health Services for all students RN, LPN, and Medical Assistants.
- Speech & Language Therapy, Occupational Therapy, Physical Therapy, and adaptive programs for students needing specialized instruction.
- Real-life experiences: Functional Living Labs, High School Cottage Industry, including woodworking, High School Sweet Sensations Café.
- Vocational and Transition to Work Programs both in-house and within the community
- Help for students or student enrichment:
    - Explorer Period, Grades 9-12
    - Focus Periods, K-8 which provides systemic academic intervention
    - Response to Intervention (RTI), Reading, Math, Behavior, pre-K-12
    - Academic Resource Centers, Grades 6-12
    - Math and Writing Labs, Grades 9-12

Enhancing the Student Experience

Huddle-High Students mentor Middle School and East Woods students regarding healthy life choices.
Sparkle Cheer-Students with disabilities participate in Varsity Cheerleading
Our Time to Shine-a student-directed play where students with and without disabilities are the actors, stage crew, and production managers.
Hudson High School Hydroponics garden functions as an active learning experience for students.
Creation of a Sensory Garden for students at McDowell Early Learning School.
Makerspace-creation labs with laser printers, engravers, three-dimensional printing, Cricut, sewing machines located at Hudson High School, Hudson Middle School, and East Woods Intermediate.
Hudson Middle School Science Olympiad State Qualifiers.
Hudson Middle School "You Be the Chemist" National Winners.
Forest Fridays offered at McDowell Elementary School for students to spend learning time outdoors.
Fourth grade Ohio History play that was student authored, produced, and performed.

Technology - each student has a device:

- Kindergarten - iPads or Chromebooks
- Grades 1 - 5 - Chromebooks
- Grades 6 - 12 - iPads

Highlights from *The Arts*

Hudson High School Orchestra earned Superior Ratings in the respective classification at the OMEA (Ohio Music Educators Association) State Orchestra Contest.

Jazz Ensemble was selected to travel and participate in the University of Northern Colorado Jazz Festival in Greeley, CO, earning a Superior Rating.

The High School Musical, The Addams Family, was nominated for NINE Dazzle Awards. The Dazzle Awards are hosted by Playhouse Square in Cleveland.

The Pit Orchestra for our musical, The Addams Family, won a second straight "Best Student Orchestra" Dazzle Award.

Hudson High School Athletics 2022-2023 Highlights
Strong athletics participation: Over 50% of the students in grades 7-12 are student athletes

- 1170 Athletes
- 75% Scholar Athletes
- 13 League Championships
- 15 Coaches of the Year
- 15 Players of the Year
- 6 District Titles
- 2 Regional Titles - 4 Runners Up
- 2 Final Four Teams
- 5 State Qualifying Teams
- 39 Individual State Qualifiers
- Suburban League All Sport Champions

Financial Reporting

For the fiscal year ended June 30, 2023, the District continued to report in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for the State and Local Governments." The basic financial statements for reporting on the District's financial activities are as follows:

- *Government-wide financial statements:* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

- *Fund financial statements:* These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

- *Statement of budgetary comparisons:* These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Discussion and Analysis of the District. This discussion appears after the Independent Accountants' Report in the financial section of this report. The Management's Discussion and Analysis (MD&A) provides an assessment of the District's finances for 2023. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Financial Information

Internal Accounting and Budgetary Control

The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the District considers to be sixty days after fiscal year-end. Proprietary funds and the private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing the financial statements and maintaining the accountability of assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. Management believes that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The District utilizes a fully-automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts a permanent appropriation measure for all funds for the fiscal year. The permanent appropriation measure is adopted upon receipt from the County Fiscal Officer of an Amended Certificate of Estimated Resources based on final assessed values and tax rates, which is usually received before the beginning of the fiscal year. Annual appropriations may not exceed the County Budget Commission's Official Certificate of Estimated Resources. The County Fiscal Officer must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are managed at the object account level within a function but controlled at the fund level. All purchase order requests must be approved by the purchasing agent and certified, as to the availability of funds, by the Treasurer. Following certification, the necessary funds are encumbered and purchase orders released to vendors.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal can access monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond. The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. As with the financial section, all amounts presented in the remainder of this letter are expressed in rounded dollar amounts.

Independent Audit

State statutes require an annual audit by independent accountants. Charles E. Harris & Associates conducted the District's 2023 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Uniform Guidance *Audits of States, Local Governments and Non-Profit Organizations*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Other Information

Awards:

Auditor of State Awards

The District has earned the ***Auditor of State Award with Distinction*** each year from 2015 to 2022 for clean audits. The District also earned the award for ***Highest Achievement in Open and Transparent Government*** from the Auditor of State. Clean and accurate record keeping are the foundation for good government, and taxpayers can take pride in our commitment to accountability.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hudson City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the twenty-fourth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles 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.

ASBO Certificate of Excellence

The District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting Award for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the twenty-fourth consecutive year that the District has achieved this prestigious award. The award represents a significant achievement by the District and reflects the District's commitment to the highest standards of school system financial reporting. The District is also submitting this report to the Association of School Business Officials (ASBO) International for consideration of the Certificate of Excellence in Financial Reporting award. This award will certify that the Annual Comprehensive Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of Schools Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

Acknowledgments

The continued publication of this report is an indication of the District's commitment to be accountable to our investors, the residents of the Hudson City School District, and to our customers, the students.

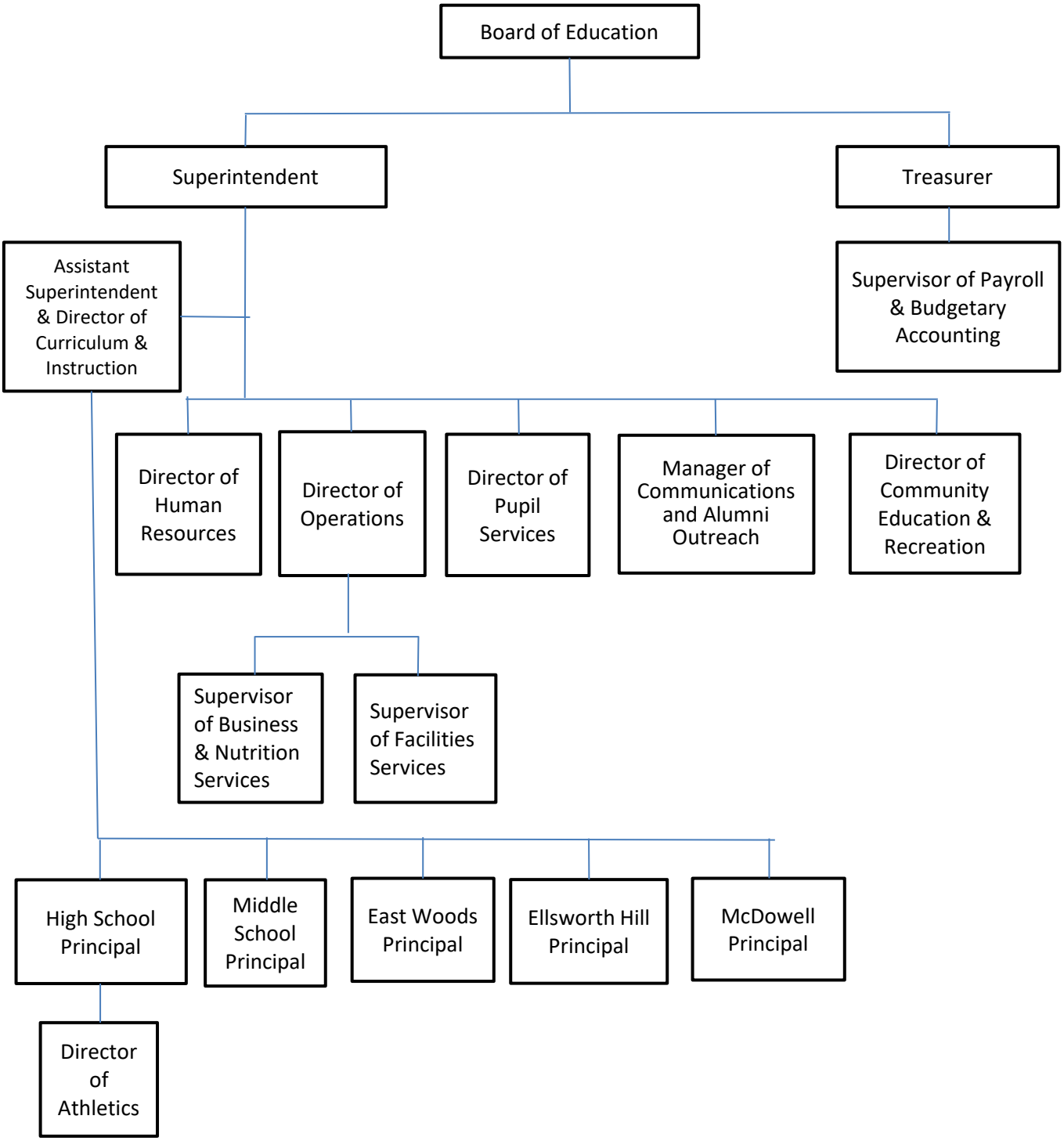
The preparation and publication of this Annual Comprehensive Financial Report on a timely basis could not have been possible without the cooperation of the entire staff of the Treasurer's Office. Additional appreciation is extended to Doreen Osmun, Assistant Superintendent and Director of Curriculum & Instruction, for her contributions to the Curricular Initiatives section; to Tom Barone, Director of Operations, for maintaining the District's Capital Asset Records; and to Jennifer Reece, Manager of Communications and Alumni Outreach, for her work on the cover and design; and also to Julian & Grube Inc., for their expert guidance and assistance.

Respectfully submitted,

Phillip D. Butto IV
Treasurer/CFO

Dana Addis
Superintendent

HUDSON CITY SCHOOL DISTRICT
ORGANIZATION CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hudson City School District
Ohio

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Hudson City School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

John W. Hutchison
President

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION

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Parma, OH 44129-2550
Charles E. Harris & Associates, Inc.
Phone - (216) 575-1630
Certified Public Accountants
Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

Hudson City School District
Summit County
76 North Hayden Parkway
Hudson, Ohio 44236

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Hudson City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District'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, business type activities, each major fund, and the aggregate remaining fund information of the Hudson City School District, Summit County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

Charles E. Harris & Associates, Inc.
December 28, 2023

The management's discussion and analysis of Hudson City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased $7,921,472 from fiscal year 2022's net position. Net position of governmental activities increased $7,964,300 and net position of business-type activities decreased $42,828.

- Total governmental activities revenues were $99,037,496. General revenues related to governmental activities accounted for $85,456,553 or 86.29% of all revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for $13,580,943 or 13.71% of total revenues.

- The District had $91,290,014 in expenses related to governmental activities; only $13,580,943 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $85,456,553 were adequate to provide for these programs.

- The District had $1,425,389 in expenses related to business-type activities; program specific revenues in the form of charges for services amounted to $1,599,379. Business-type activities also transfers out of $216,818.

- The District's most significant governmental fund is the general fund. The general fund had $78,970,398 in revenues and other financing sources and $73,744,860 in expenditures and other financing uses. This resulted in an increase in fund balance from $27,477,131 to $32,702,669.

Using the Annual Comprehensive Financial Report (ACFR)

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is the most significant fund, and the only governmental fund reported as major fund.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary *assets, liabilities, deferred inflows and outflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's community education program is reported as a business-type activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

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

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole.

Fiduciary Funds

The District acts in a trustee capacity as fiscal agent for individuals, private organizations, or other governmental entities. These activities are reported in a custodial fund. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and the net OPEB liability/asset of the retirement systems. It also includes a ten year schedule of the District's contributions to the retirement systems to fund pension and OPEB obligations.

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for fiscal years 2023 and 2022. Assets and liabilities for fiscal year 2022 have been restated to account for the implementation of GASB Statement No. 96; see Note 2 in the notes to the basic financial statements for detail.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	(Restated) 2022	2023	2022	2023	(Restated) 2022
Assets						
Current assets	$ 107,081,336	$ 102,401,509	$ 1,452,661	$ 1,356,870	$ 108,533,997	$ 103,758,379
Net OPEB asset	6,750,182	5,503,614	13,170	14,264	6,763,352	5,517,878
Capital assets, net	125,808,419	129,196,683	-	-	125,808,419	129,196,683
Total assets	239,639,937	237,101,806	1,465,831	1,371,134	241,105,768	238,472,940
Deferred outflows of resources						
Other amounts	1,081,258	1,180,305	-	-	1,081,258	1,180,305
Pension	16,985,857	16,862,162	171,556	195,818	17,157,413	17,057,980
OPEB	1,605,413	1,949,473	56,446	69,666	1,661,859	2,019,139
Total deferred outflows of resources	19,672,528	19,991,940	228,002	265,484	19,900,530	20,257,424
Liabilities						
Current liabilities	10,914,588	11,608,732	321,473	97,933	11,236,061	11,706,665
Long-term liabilities:						
Due within one year	4,131,147	3,463,051	18,394	26,287	4,149,541	3,489,338
Net pension liability	72,402,187	43,386,159	715,794	507,101	73,117,981	43,893,260
Net OPEB liability	3,839,022	5,295,368	161,733	222,478	4,000,755	5,517,846
Other amounts	93,805,991	92,102,885	22,366	17,490	93,828,357	92,120,375
Total liabilities	185,092,935	155,856,195	1,239,760	871,289	186,332,695	156,727,484
Deferred inflows of resources						
Other amounts	44,371,224	51,750,605	-	-	44,371,224	51,750,605
Pension	6,694,782	34,913,728	90,782	366,010	6,785,564	35,279,738
OPEB	10,376,914	9,760,908	243,621	236,821	10,620,535	9,997,729
Total deferred inflows of resources	61,442,920	96,425,241	334,403	602,831	61,777,323	97,028,072
Net Position						
Net investment in capital assets	40,595,746	40,514,922	-	-	40,595,746	40,514,922
Restricted	15,033,923	11,788,564	-	-	15,033,923	11,788,564
Unrestricted (deficit)	(42,853,059)	(47,491,176)	119,670	162,498	(42,733,389)	(47,328,678)
Total net position (deficit)	$ 12,776,610	$ 4,812,310	$ 119,670	$ 162,498	$ 12,896,280	$ 4,974,808

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

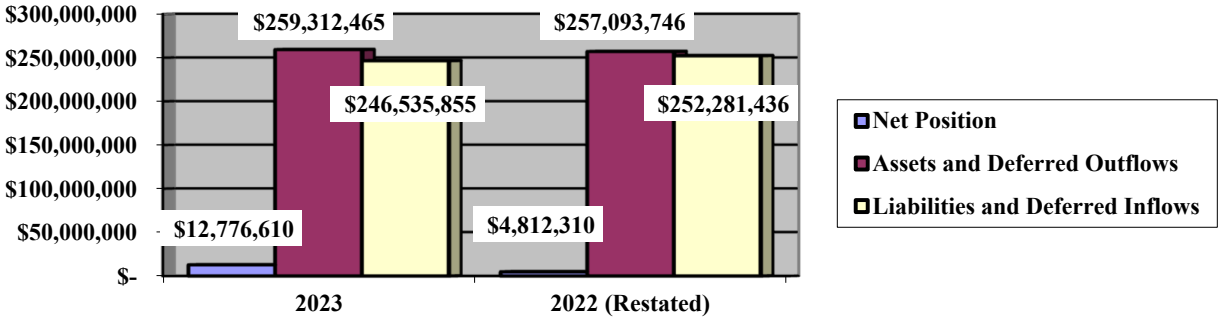
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted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

As the previous table illustrates, some of the more significant changes in net position were related to the District's net pension liability, net OPEB liability/asset and the related deferred inflows/outflows of resources. See Note 11 and Note 12 in the notes to the basic financial statements for additional information regarding these components of net position. These can fluctuate from year-to-year depending, in part, on the different actuarial assumptions used by the pension systems.

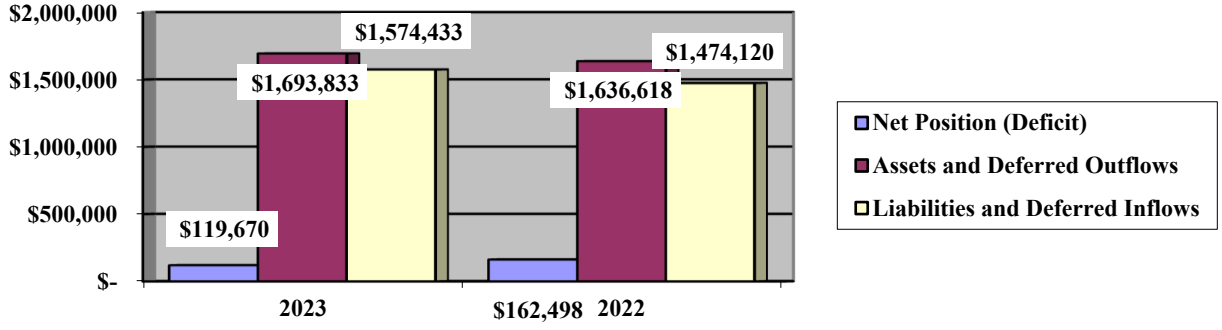
A portion of the District's net position, or $15,033,923, represents resources that are subject to external restriction on how they may be used. The net investment in capital assets makes up another $40,595,746. The remaining unrestricted portion of the District's net position is a deficit of $42,853,059.

The following graphs present the District's governmental and business-type assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2023 and June 30, 2022.

Governmental Activities



Business-Type Activities



The table that follows shows the changes in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services and sales	$ 4,580,339	$ 3,476,453	$1,599,379	$ 1,547,845	$ 6,179,718	$ 5,024,298
Operating grants and contributions	8,218,148	8,877,068	-	-	8,218,148	8,877,068
Capital grants and contributions	782,456	24,857	-	-	782,456	24,857
General revenues:						
Property taxes	65,560,670	53,637,231	-	-	65,560,670	53,637,231
Payments in lieu of taxes	508,343	401,895	-	-	508,343	401,895
Unrestricted grants and entitlements	18,004,382	17,681,115	-	136,205	18,004,382	17,817,320
Investment earnings	1,076,656	(465,074)	-	-	1,076,656	(465,074)
Miscellaneous	306,502	478,206	-	-	306,502	478,206
Total revenues	99,037,496	84,111,751	1,599,379	1,684,050	100,636,875	85,795,801
Expenses						
Instruction:						
Regular	38,010,121	35,816,224	-	-	38,010,121	35,816,224
Special	12,264,486	10,372,613	-	-	12,264,486	10,372,613
Vocational	396,159	372,102	-	-	396,159	372,102
Other	1,384,430	1,079,359	-	-	1,384,430	1,079,359
Support services:						
Pupil	6,204,852	5,407,605	-	-	6,204,852	5,407,605
Instructional staff	2,718,103	2,321,176	-	-	2,718,103	2,321,176
Board of education	57,161	56,074	-	-	57,161	56,074
Administration	5,151,778	4,498,841	-	-	5,151,778	4,498,841
Fiscal	2,109,988	1,825,526	-	-	2,109,988	1,825,526
Business	556,594	539,384	-	-	556,594	539,384
Operations and maintenance	6,074,073	5,886,401	-	-	6,074,073	5,886,401
Pupil transportation	5,329,823	5,125,606	-	-	5,329,823	5,125,606
Central	1,671,913	797,782	-	-	1,671,913	797,782
Operation of non-instructional services:						
Food service operations	2,117,611	1,889,701	-	-	2,117,611	1,889,701
Other non-instructional services	289,576	283,326	-	-	289,576	283,326
Extracurricular activities	3,600,592	4,595,518	-	-	3,600,592	4,595,518
Interest and fiscal charges on long-term debt	3,352,754	3,423,921	-	-	3,352,754	3,423,921
Community education	-	-	1,425,389	1,307,380	1,425,389	1,307,380
Total expenses	91,290,014	84,291,159	1,425,389	1,307,380	92,715,403	85,598,539
Change in net position before transfers	7,747,482	(179,408)	173,990	376,670	7,921,472	197,262
Transfers	216,818	-	(216,818)	-	-	-
Change in net position	7,964,300	(179,408)	(42,828)	376,670	7,921,472	197,262
Net position (deficit) at beginning of year	4,812,310	4,991,718	162,498	(214,172)	4,974,808	4,777,546
Net position at end of year	$ 12,776,610	$ 4,812,310	$ 119,670	$ 162,498	$ 12,896,280	$ 4,974,808

Governmental Activities

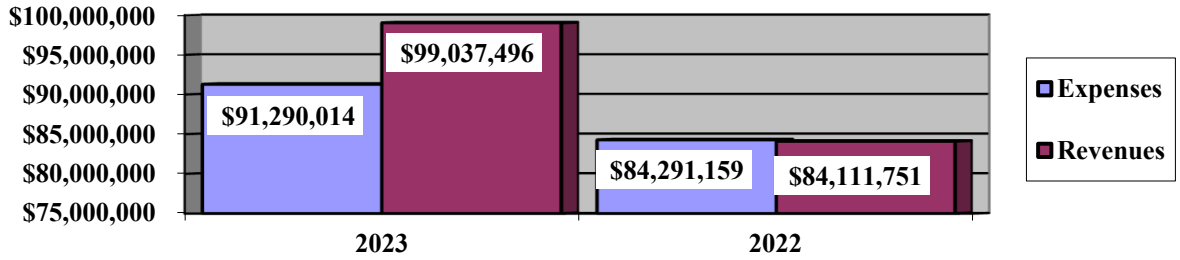
Net position of the District's governmental activities increased $7,964,300. Total governmental expenses of $91,290,014 were offset by program revenues of $13,580,943 and general revenues of $85,456,553.

Total revenues increased significantly. This is primarily due to fluctuations in the amount of taxes collected by the County and available for advance to the District at year-end. This is reported as property taxes revenue and can vary depending on when the County distributes the second-half tax bills and receives payment. Investment earnings also contributed to the overall increase in revenue. These revenues are reported net of any change in the fair value of investments, which for the District in fiscal year 2022 resulted in negative net investment earnings revenue.

Expenses of the governmental activities increased slightly, up $6,998,855 or 8.30%, which is primarily the result of an increase in pension expense. Pension expense increased approximately $7.7 million. This was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income compared to previous years. The District's instruction programs accounted for $52,055,196 or 57.02% of total expenses.

The following graph presents the District's governmental activities revenues and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the following page shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. That is, it identifies the cost of these services supported by taxes revenue and unrestricted grants and entitlements.

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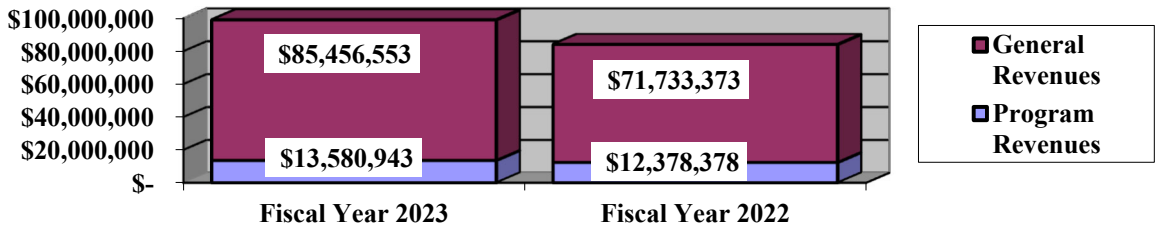
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses:				
Instruction:				
Regular	$ 38,010,121	$ 34,426,017	$ 35,816,224	$ 31,752,283
Special	12,264,486	9,641,670	10,372,613	7,699,628
Vocational	396,159	373,638	372,102	352,975
Other	1,384,430	1,368,019	1,079,359	1,064,371
Support services:				
Pupil	6,204,852	5,563,351	5,407,605	4,683,394
Instructional staff	2,718,103	2,574,280	2,321,176	2,235,090
Board of education	57,161	57,161	56,074	56,074
Administration	5,151,778	5,059,888	4,498,841	4,444,449
Fiscal	2,109,988	2,109,988	1,825,526	1,825,526
Business	556,594	556,594	539,384	539,384
Operations and maintenance	6,074,073	5,491,901	5,886,401	5,724,407
Pupil transportation	5,329,823	5,026,898	5,125,606	4,966,586
Central	1,671,913	799,914	797,782	797,782
Operation of non-instructional services:				
Food service operations	2,117,611	(385,006)	1,889,701	(1,170,977)
Other non-instructional services	289,576	1,147	283,326	3,975
Extracurricular activities	3,600,592	1,690,857	4,595,518	3,513,913
Interest on long-term debt	3,352,754	3,352,754	3,423,921	3,423,921
Total expenses	$ 91,290,014	$ 77,709,071	$ 84,291,159	$ 71,912,781

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 88.00% of 2023 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 85.12% in 2023. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the District's community education program which had operating revenues of $1,599,379 and operating expenses of $1,425,389 for fiscal year 2023, resulting in operating income of $173,990. Other changes in net position include nonoperating expenses (capital outlay for governmental activities) of $216,818, and the overall change in net position was a decrease of $42,828. These operations are largely self-supporting through user fees and charges. Management assesses its performance to ensure that they are run efficiently.

The District's Funds

The District's governmental funds reported a combined fund balance of $50,168,901, which is $12,394,311 higher than last year's total. The schedule below indicates the fund balance as of June 30, 2023 and 2022, and the total change in fund balance.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General fund	$ 32,702,669	$ 27,477,131	$ 5,225,538
Nonmajor governmental funds	17,466,232	10,297,459	7,168,773
Total	$ 50,168,901	$ 37,774,590	$ 12,394,311

General Fund

Fund balance for the general fund increased $5,225,538 or 19.02%. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 42.36% of total general fund expenditures, while total fund balance represents 44.39% of that same amount.

The following table assists in illustrating the revenues of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Revenues			
Property taxes	$ 58,111,796	$ 47,406,762	22.58 %
Payments in lieu of taxes	508,343	401,895	26.49 %
Tuition and fees	1,594,434	1,702,295	(6.34) %
Earnings on investments	1,022,801	(505,750)	302.23 %
Intergovernmental	16,927,531	16,696,942	1.38 %
Other revenues	795,869	882,957	(9.86) %
Total	$ 78,960,774	$ 66,585,101	18.59 %

The overall increase in general fund revenues is primarily due to a rise in property taxes revenue and earnings on investments. See page F 11 for more information on these increases.

The following table assists in illustrating the expenditures of the general fund.

	2023 Amount	2022 Amount	Percentage Change
Expenditures			
Instruction	$ 44,053,070	$ 41,218,670	6.88 %
Support services	27,558,464	26,707,807	3.19 %
Other non-instructional services	2,471	203	1,117.24 %
Extracurricular activities	1,437,404	1,376,400	4.43 %
Capital outlay	-	1,655,850	(100.00) %
Debt service	619,451	1,076,421	(42.45) %
Total	$ 73,670,860	$ 72,035,351	2.27 %

The overall increase in general fund expenditures is due in part to normal wages and salary increases, as well as an increase in fringe benefits costs, including employee health insurance premiums and retirement system contributions. In addition, general inflationary increases contributed to higher costs of purchased services and supplies and materials. The capital outlay expenditures reported for fiscal year 2022 resulted from the District entering into a lease for copiers.

Enterprise Fund

The District maintains an enterprise fund to account for the community education program. Since the enterprise fund is accounted for on the same basis of accounting as business-type activities (the accrual basis of accounting), the statement of net position and the results of operations on the fund financial statements mirror those reported as business-type activities on the District-wide financial statements. See page F 12 for a discussion of the District's business-type activities.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. The most significant budgeted fund is the general fund.

For the general fund, original budgeted revenues and other financing sources were $74,228,221. This was increased slightly to $75,375,708 in the final budget. Actual revenues and other financing sources were $70,598,110, or $4,777,598 less than the final budget, primarily due to lower than projected property tax collections and intergovernmental aid from the State.

General fund original and final budget appropriations (expenditures and other financing uses) were $74,407,489. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled $73,378,589, which is $1,028,900 less than the final budget appropriations. The District typically budgets for higher appropriations in case unforeseen expenditures arise throughout the year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $125,808,419 (net of accumulated depreciation/amortization) invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, computer software, lease assets, and subscription assets. This entire amount is reported in governmental activities.

The following table shows fiscal year 2023 balances compared to 2022:

Capital Assets at June 30
(Net of Depreciation/Amortization)

	Governmental Activities	
	2023	Restated 2022
Land	$ 1,022,386	$ 1,022,386
Construction in progress (CIP)	1,380,854	-
Land improvements	5,931,519	6,274,966
Buildings and improvements	112,692,912	116,779,564
Furniture and equipment	2,977,501	2,981,881
Vehicles	786,835	775,005
Lease assets - buildings	154,075	205,433
Lease assets - equipment	839,434	1,119,246
Subscription assets	22,903	38,202
Total	$ 125,808,419	$ 129,196,683

The overall decrease in capital assets is a result of depreciation/amortization expense of $5,764,952 exceeding capital asset additions of $2,376,688. There were no disposals of capital assets in fiscal year 2023. The single most significant addition was CIP for a District-wide HVAC improvement project which is anticipated to be finished in fiscal year 2024.

See Note 7 in the notes to the basic financial statements for more information on the District's capital assets.

Debt Administration

At June 30, 2023, the District had $89,575,903 in long-term debt obligations outstanding. Of this total, $3,694,219 is due within one year and $85,881,684 is due in greater than one year.

The following table summarizes the District's outstanding debt.

Outstanding Debt at June 30

	Governmental Activities 2023	(Restated) Governmental Activities 2022
Qualified School Construction Bonds	$ 340,000	$ 505,000
Certificates of Participation	11,395,000	12,060,000
School Improvement Bonds - Series 2018	71,350,000	73,045,000
Lease Liability	1,012,146	1,335,877
Subscription Liability	20,371	38,202
Notes Payable	5,458,386	315,179
Total	$ 89,575,903	$ 87,299,258

Aside from normal debt payments, the only significant activity in fiscal year 2023 was the issuance of notes payable in the amount of $5.3 million to finance HVAC improvements throughout the District. See Note 8 in the notes to the basic financial statements for more information on the District's debt administration.

Current Financial Related Activities

The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed periodically from the community's citizens. The general fund cash balance was $29,419,117 at June 30, 2023. Fiscal year-end general fund cash balances were $30,652,740, $33,890,181, $33,959,909, and $33,624,513 at June 30 in fiscal years 2022, 2021, 2020, and 2019, respectively. Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a healthy cash balance and continue a quality, comprehensive educational program.

Property taxes revenue is the District's main source of revenue, comprising approximately 71% of all cash receipts for the general fund in fiscal year 2023. Property taxes are largely dependent upon assessed property values, which are determined by the Summit County Fiscal Officer. The County conducted a reappraisal in 2017 which went into effect for calendar year 2018 tax collections. The reappraisal resulted in an increase in property values of approximately $133.7 million (14%). Appraisals are done every six years, with an update occurring every three years.

At the November 7, 2023 election, District voters approved a 5.5 mill property tax levy. The levy is effective January 1, 2024 and will generate approximately $7,243,000 annually in new money, which is to be used for the general operations of the District. This was the first operating tax levy requested by the District in the last 12 years. With Board guidance, the recent fiscal year budgets have been carefully managed in order to maintain the integrity of the financial planning process, while being cognizant of future tax levy levels that are reasonable and in accordance with the expected educational excellence of our community.

The District's second largest revenue source is State aid from the State Foundation program, which comprise approximately 24% of general fund cash receipts in fiscal year 2023. State Foundation revenue for fiscal year 2024 is budgeted at approximately $10.9 million, roughly the same amount compared to fiscal year 2023.

The District has committed itself to educational and financial excellence for many years. The budgeting and internal controls utilized by the District have resulted in unmodified audit opinions. Each challenge identified in this section is viewed simultaneously as an opportunity for the District to foray down paths not previously traveled to continue its commitment to excellence. The District is committed to living within its financial means, and working with the community it serves in order to garner adequate resources to support the educational program. The Board will continue to evaluate all aspects of its operations, making prudent decisions where appropriate, in order to maximize its resources and offer excellent educational offerings.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions about this report or requests for additional financial information can be made by writing to Mr. Phillip D. Butto IV, Treasurer/CFO, Hudson City School District, 76 N. Hayden Parkway, Hudson, Ohio 44236 or by calling (330) 653-1270.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 47,928,600	$ 1,452,661	$ 49,381,261
Receivables:			
Property taxes	58,015,653	-	58,015,653
Payment in lieu of taxes	489,464	-	489,464
Accrued interest	161,916	-	161,916
Intergovernmental	403,988	-	403,988
Prepayments	75,564	703	76,267
Materials and supplies inventory	1,454	-	1,454
Inventory held for resale	4,697	-	4,697
Net OPEB asset	6,750,182	12,467	6,762,649
Capital assets:			
Not depreciated/amortized	2,403,240	-	2,403,240
Depreciated/amortized, net	123,405,179	-	123,405,179
Capital assets, net	125,808,419	-	125,808,419
Total assets	239,639,937	1,465,831	241,105,768
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,081,258	-	1,081,258
Pension	16,985,857	171,556	17,157,413
OPEB	1,605,413	56,446	1,661,859
Total deferred outflows of resources	19,672,528	228,002	19,900,530
Liabilities:			
Accounts payable	283,989	54,388	338,377
Contracts payable	470,290	216,818	687,108
Accrued wages and benefits payable	7,359,518	37,551	7,397,069
Intergovernmental payable	134,079	437	134,516
Pension obligation payable	1,199,537	12,279	1,211,816
Accrued interest payable	322,155	-	322,155
Claims payable	1,145,020	-	1,145,020
Long-term liabilities:			
Due within one year	4,131,147	18,394	4,149,541
Due in more than one year:			
Net pension liability	72,402,187	715,794	73,117,981
Net OPEB liability	3,839,022	161,733	4,000,755
Other amounts due in more than one year	93,805,991	22,366	93,828,357
Total liabilities	185,092,935	1,239,760	186,332,695
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	43,881,760	-	43,881,760
Payment in lieu of taxes levied for the next fiscal year	489,464	-	489,464
Pension	6,694,782	90,782	6,785,564
OPEB	10,376,914	243,621	10,620,535
Total deferred inflows of resources	61,442,920	334,403	61,777,323
Net position:			
Net investment in capital assets	40,595,746	-	40,595,746
Restricted for:			
Capital projects	5,205,242	-	5,205,242
OPEB	1,526,233	-	1,526,233
Debt service	5,411,062	-	5,411,062
State funded programs	110,905	-	110,905
Federally funded programs	390,620	-	390,620
Food service operations	1,747,357	-	1,747,357
Student activities	439,996	-	439,996
Other purposes	202,508	-	202,508
Unrestricted (deficit)	(42,853,059)	119,670	(42,733,389)
Total net position	$ 12,776,610	$ 119,670	$ 12,896,280

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction:				
Regular	$ 38,010,121	$ 1,339,723	$ 2,237,448	$ 6,933
Special	12,264,486	217,989	2,404,827	-
Vocational	396,159	1,294	21,227	-
Other	1,384,430	7,411	9,000	-
Support services:				
Pupil	6,204,852	146,199	495,302	-
Instructional staff	2,718,103	3,926	139,897	-
Board of education	57,161	-	-	-
Administration	5,151,778	16,521	75,369	-
Fiscal	2,109,988	-	-	-
Business	556,594	-	-	-
Operations and maintenance	6,074,073	37,347	544,825	-
Pupil transportation	5,329,823	-	302,925	-
Central	1,671,913	-	871,999	-
Operation of non-instructional services:				
Food service operations	2,117,611	1,779,005	723,612	-
Other non-instructional services	289,576	1,455	286,974	-
Extracurricular activities	3,600,592	1,029,469	104,743	775,523
Interest and fiscal charges	3,352,754	-	-	-
Total governmental activities	91,290,014	4,580,339	8,218,148	782,456
Business-type activities:				
Community edcuation	1,425,389	1,599,379	-	-
Totals	$ 92,715,403	$ 6,179,718	$ 8,218,148	$ 782,456

General revenues:
Property taxes levied for:
General purposes
Debt service
Capital outlay
Payments in lieu of taxes
Grants and entitlements not restricted to specific programs
Investment earnings
Miscellaneous
Total general revenues

Transfers

Change in net position

Net position at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (34,426,017)	$ -	$ (34,426,017)
(9,641,670)	-	(9,641,670)
(373,638)	-	(373,638)
(1,368,019)	-	(1,368,019)
(5,563,351)	-	(5,563,351)
(2,574,280)	-	(2,574,280)
(57,161)	-	(57,161)
(5,059,888)	-	(5,059,888)
(2,109,988)	-	(2,109,988)
(556,594)	-	(556,594)
(5,491,901)	-	(5,491,901)
(5,026,898)	-	(5,026,898)
(799,914)	-	(799,914)
385,006	-	385,006
(1,147)	-	(1,147)
(1,690,857)	-	(1,690,857)
(3,352,754)	-	(3,352,754)
(77,709,071)	-	(77,709,071)
-	173,990	173,990
(77,709,071)	173,990	(77,535,081)
58,083,754	-	58,083,754
5,858,655	-	5,858,655
1,618,261	-	1,618,261
508,343	-	508,343
18,004,382	-	18,004,382
1,076,656	-	1,076,656
306,502	-	306,502
85,456,553	-	85,456,553
216,818	(216,818)	-
7,964,300	(42,828)	7,921,472
4,812,310	162,498	4,974,808
$ 12,776,610	$ 119,670	$ 12,896,280

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	$ 29,419,117	$ 16,807,486	$ 46,226,603
Receivables:			
Property taxes	51,344,659	6,670,994	58,015,653
Payment in lieu of taxes	489,464	-	489,464
Accrued interest	161,916	-	161,916
Intergovernmental	1,189	402,799	403,988
Prepayments	71,483	3,959	75,442
Materials and supplies inventory	-	1,454	1,454
Inventory held for resale	-	4,697	4,697
Due from other funds	56,773	-	56,773
Total assets	$ 81,544,601	$ 23,891,389	$ 105,435,990
Liabilities:			
Accounts payable	$ 202,645	$ 77,154	$ 279,799
Contracts payable	-	470,290	470,290
Accrued wages and benefits payable	6,959,131	400,387	7,359,518
Compensated absences payable	165,551	5,937	171,488
Intergovernmental payable	125,106	5,919	131,025
Pension obligation payable	1,118,989	80,548	1,199,537
Due to other funds	-	56,773	56,773
Claims payable	11,020	-	11,020
Total liabilities	8,582,442	1,097,008	9,679,450
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	38,793,451	5,088,309	43,881,760
Payment in lieu of taxes levied for the next fiscal year	489,464	-	489,464
Delinquent property tax revenue not available	879,939	91,951	971,890
Intergovernmental revenue not available	-	147,889	147,889
Accrued interest not available	96,636	-	96,636
Total deferred inflows of resources	40,259,490	5,328,149	45,587,639
Fund balances:			
Nonspendable:			
Materials and supplies inventory	-	1,454	1,454
Prepayments	71,483	3,959	75,442
Restricted:			
Debt service	-	5,340,639	5,340,639
Capital improvements	-	9,322,005	9,322,005
Food service operations	-	1,805,434	1,805,434
Non-public schools	-	110,905	110,905
Federally funded programs	-	387,662	387,662
Extracurricular activities	-	439,955	439,955
Other purposes	-	202,508	202,508
Assigned:			
Student instruction	382,598	-	382,598
Student and staff support	633,881	-	633,881
Rotary services	373,692	-	373,692
Other purposes	30,852	-	30,852
Unassigned (deficit)	31,210,163	(148,289)	31,061,874
Total fund balances	32,702,669	17,466,232	50,168,901
Total liabilities, deferred inflows and fund balances	$ 81,544,601	$ 23,891,389	$ 105,435,990

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances			$ 50,168,901
Amounts reported for governmental activities on 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.			125,808,419
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	$ 971,890		
Accrued interest receivable	96,636		
Intergovernmental receivable	147,889		
Total			1,216,415
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			560,875
Unamortized premiums on long-term debt are not recognized in the funds.			(3,934,431)
Unamortized amounts on refundings are not recognized in the funds.			1,081,258
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(322,155)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension	16,985,857		
Deferred inflows - pension	(6,694,782)		
Net pension liability	(72,402,187)		
Deferred outflows - OPEB	1,605,413		
Deferred inflows - OPEB	(10,376,914)		
Net OPEB asset	6,750,182		
Net OPEB liability	(3,839,022)		
Total			(67,971,453)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds	(71,690,000)		
Certificates of participation	(11,395,000)		
Lease liability	(1,012,146)		
Subscription liability	(20,371)		
Notes payable	(5,458,386)		
Compensated absences	(4,255,316)		
Total			(93,831,219)
Net position of governmental activities			$ 12,776,610

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 58,111,796	$ 7,479,873	$ 65,591,669
Intergovernmental	16,927,531	8,627,740	25,555,271
Investment earnings	1,022,801	45,956	1,068,757
Tuition and fees	1,594,434	2,140	1,596,574
Extracurricular	434,144	717,711	1,151,855
Rental income	20,980	-	20,980
Charges for services	568	1,779,005	1,779,573
Contributions and donations	101,457	1,210,525	1,311,982
Payment in lieu of taxes	508,343	-	508,343
Miscellaneous	238,720	154,353	393,073
Total revenues	78,960,774	20,017,303	98,978,077
Expenditures:			
Current:			
Instruction:			
Regular	31,711,333	2,307,290	34,018,623
Special	10,673,970	1,603,555	12,277,525
Vocational	292,337	2,821	295,158
Other	1,375,430	9,000	1,384,430
Support services:			
Pupil	6,063,100	147,784	6,210,884
Instructional staff	2,377,382	145,819	2,523,201
Board of education	57,320	-	57,320
Administration	4,996,429	56,754	5,053,183
Fiscal	1,897,030	198,470	2,095,500
Business	562,596	-	562,596
Operations and maintenance	5,840,432	65,115	5,905,547
Pupil transportation	4,877,728	194,365	5,072,093
Central	886,447	800,000	1,686,447
Operation of non-instructional services:			
Food service operations	-	2,055,368	2,055,368
Other non-instructional services	2,471	287,105	289,576
Extracurricular activities	1,437,404	934,206	2,371,610
Facilities acquisition and construction	-	3,504,184	3,504,184
Debt service:			
Principal retirement	584,959	2,438,396	3,023,355
Interest and fiscal charges	34,492	3,398,931	3,433,423
Debt issuance costs	-	76,500	76,500
Total expenditures	73,670,860	18,225,663	91,896,523
Excess (deficiency) of revenues over (under) expenditures	5,289,914	1,791,640	7,081,554
Other financing sources (uses):			
Proceeds from sale of assets	9,624	3,133	12,757
Issuance of notes	-	5,300,000	5,300,000
Transfers in	-	1,074,000	1,074,000
Transfers (out)	(74,000)	(1,000,000)	(1,074,000)
Total other financing sources (uses)	(64,376)	5,377,133	5,312,757
Net change in fund balances	5,225,538	7,168,773	12,394,311
Fund balances at beginning of year	27,477,131	10,297,459	37,774,590
Fund balances at end of year	$ 32,702,669	$ 17,466,232	$ 50,168,901

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds			$	12,394,311
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.				
Capital asset additions	$	2,376,688		
Current year depreciation/amortization		(5,764,952)		
Total				(3,388,264)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.				
Property taxes		(30,999)		
Earnings on investments		48,086		
Intergovernmental		29,575		
Total				46,662
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.				3,023,355
Issuances of debt obligations are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported since they increase liabilities on the statement of net position.				(5,300,000)
In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:				
Increase in accrued interest payable		43,805		
Amortization of debt premiums		212,411		
Amortization of deferred charges on refunding		(99,047)		
Total				157,169
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources.				
Pension		6,479,531		
OPEB		199,033		
Total				6,678,564
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.				
Pension		(7,152,918)		
OPEB		1,543,815		
Total				(5,609,103)
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.				(315,811)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.				277,417
Change in net position of governmental activities			$	7,964,300

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	$ 53,416,835	$ 54,246,458	$ 50,362,001	$ (3,884,457)
Intergovernmental	18,091,908	18,372,895	16,938,637	(1,434,258)
Investment earnings	135,301	137,402	1,102,616	965,214
Tuition and fees	1,505,305	1,528,683	1,233,096	(295,587)
Extracurricular	313,357	318,224	289,517	(28,707)
Rental income	5,412	5,496	20,980	15,484
Contributions and donations	1,082	1,099	1,385	286
Payment in lieu of taxes	300,000	300,000	508,343	208,343
Miscellaneous	114,021	120,451	94,735	(25,716)
Total revenues	73,883,221	75,030,708	70,551,310	(4,479,398)
Expenditures:				
Current:				
Instruction:				
Regular	32,237,726	32,304,494	31,699,145	605,349
Special	10,102,476	10,172,169	10,493,281	(321,112)
Vocational	319,389	356,516	365,618	(9,102)
Other	2,114,026	1,449,168	1,454,974	(5,806)
Support services:				
Pupil	6,187,565	5,814,367	5,765,660	48,707
Instructional staff	2,554,314	2,517,235	2,370,389	146,846
Board of education	62,721	98,148	86,371	11,777
Administration	5,221,611	5,339,945	5,066,980	272,965
Fiscal	1,814,997	1,820,915	1,954,715	(133,800)
Business	631,329	697,928	627,833	70,095
Operations and maintenance	5,929,177	6,396,998	6,045,259	351,739
Pupil transportation	4,750,584	4,915,540	4,878,954	36,586
Central	955,808	1,001,052	889,332	111,720
Extracurricular activities	1,283,437	1,269,598	1,426,663	(157,065)
Debt service:				
Principal	165,000	165,000	165,000	-
Interest and fiscal charges	7,141	7,141	7,140	1
Total expenditures	74,337,301	74,326,214	73,297,314	1,028,900
Excess (deficiency) of revenues over (under) expenditures	(454,080)	704,494	(2,746,004)	(3,450,498)
Other financing sources (uses):				
Refund of prior year's expenditures	300,000	300,000	37,176	(262,824)
Refund of prior year's receipts	(188)	(7,275)	(7,275)	-
Transfers (out)	(70,000)	(74,000)	(74,000)	-
Sale of capital assets	45,000	45,000	9,624	(35,376)
Total other financing sources (uses)	274,812	263,725	(34,475)	(298,200)
Net change in fund balance	(179,268)	968,219	(2,780,479)	(3,748,698)
Fund balance at beginning of year	29,949,362	29,949,362	29,949,362	-
Prior year encumbrances appropriated	1,407,489	1,407,489	1,407,489	-
Fund balance at end of year	$ 31,177,583	$ 32,325,070	$ 28,576,372	$ (3,748,698)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	$ 1,452,661	$ 1,701,997
Prepayments	703	122
Total current assets	1,453,364	1,702,119
Noncurrent assets:		
Net OPEB asset	12,467	-
Total assets	1,465,831	1,702,119
Deferred outflows of resources:		
Pension	171,556	-
OPEB	56,446	-
Total deferred outflows of resources	228,002	-
Liabilities:		
Current liabilities:		
Accounts payable	54,388	4,190
Contracts payable	216,818	-
Accrued wages and benefits payable	37,551	-
Compensated absences payable	18,394	-
Pension obligation payable	12,279	-
Intergovernmental payable	437	3,054
Claims payable	-	1,134,000
Total current liabilities	339,867	1,141,244
Noncurrent liabilities:		
Compensated absences payable	22,366	-
Net pension liability	715,794	-
Net OPEB liability	161,733	-
Total noncurrent liabilities	899,893	-
Total liabilities	1,239,760	1,141,244
Deferred inflows of resources:		
Pension	90,782	-
OPEB	243,621	-
Total deferred inflows of resources	334,403	-
Net position:		
Unrestricted	119,670	560,875
Total net position	$ 119,670	$ 560,875

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Operating revenues:		
Sales/charges for services	$ 1,599,379	$ 14,890,406
Total operating revenues	1,599,379	14,890,406
Operating expenses:		
Personal services	503,607	35,738
Purchased services	780,628	2,255,493
Materials and supplies	134,512	19,073
Other	6,642	6,857
Claims	-	12,295,828
Total operating expenses	1,425,389	14,612,989
Operating income (loss)	173,990	277,417
Nonoperating revenues (expenses):		
Capital outlay for governmental activities	(216,818)	-
Total nonoperating revenues (expenses)	(216,818)	-
Change in net position	(42,828)	277,417
Net position at beginning of year	162,498	283,458
Net position at end of year	$ 119,670	$ 560,875

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from sales/charges for services	$ 1,599,379	$ 14,890,406
Cash payments for personal services	(584,254)	(35,738)
Cash payments for contractual services	(777,514)	(2,270,016)
Cash payments for materials and supplies	(133,983)	(19,073)
Cash payments for other expenses	(7,186)	-
Cash payments for claims	-	(12,229,828)
Net cash provided by (used in) operating activities	96,442	335,751
Net increase (decrease) in cash and investments	96,442	335,751
Cash and investments at beginning of year	1,356,219	1,366,246
Cash and investments at end of year	$ 1,452,661	$ 1,701,997
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 173,990	$ 277,417
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Prepayments	(52)	(7)
Net OPEB asset	1,797	-
Deferred outflows - pension	24,262	-
Deferred outflows - OPEB	13,220	-
Accounts payable	3,099	(10,713)
Accrued wages and benefits payable	1,976	-
Intergovernmental payable	(123)	3,054
Compensated absences payable	(3,017)	-
Pension obligation payable	1,770	-
Claims payable	-	66,000
Net pension liability	208,693	-
Net OPEB liability	(60,745)	-
Deferred inflows - pension	(275,228)	-
Deferred inflows - OPEB	6,800	-
Net cash provided by (used in) operating activities	$ 96,442	$ 335,751

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

		Custodial
Assets:		
Equity in pooled cash and investments	$	412,302
Due from other governments		39,811
Prepayments		264
Total assets		452,377
Liabilities:		
Accounts payable		5,132
Accrued wages and benefits payable		6,406
Due to other governments		1,817
Pension obligation payable		6,104
Total liabilities		19,459
Net position:		
Restricted for individuals, organizations and other governments		432,918
Total net position	$	432,918

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial
Additions:	
Amounts received as fiscal agent	$ 829,607
Deductions:	
Distributions as fiscal agent	792,924
Change in net position	36,683
Net position at beginning of year	396,235
Net position at end of year	$ 432,918

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Hudson City School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member Board of Education and provides educational services as mandated by state and/or federal agencies. This Board controls the District's nine instructional/support facilities. The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations will be included as part of the reporting entity.

The District employs 262 non-certified and 386 certified employees (including administrators) to provide services to approximately 4,713 students and community members.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District's significant accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

JOINTLY GOVERNED ORGANIZATION

Six District Educational Compact (the "Compact")
The Compact is a jointly governed organization to provide for the vocational needs of the students of six participating school districts. The six member Board consists of the superintendent from each of the participating school districts. Students may attend any vocational class offered by any of the six school districts. Hudson City School District serves as fiscal and administrative agent for the Compact, collecting and distributing payments pertaining to the administrative portion of the agreement. The Board exercises total control over the operations of the compact, including budgeting, appropriating, contracting and designating management.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting

The District 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. There are three categories of funds: governmental, proprietary and 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 is the District's major governmental fund:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets; (b) resources restricted for the payment of general long-term debt principal, interest and related costs, and (c) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District's proprietary funds consist of an enterprise fund and an internal service fund.

Enterprise fund - The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District's major enterprise fund is the Community Education fund which accounts for all financial activities related to the Community Education and Recreation Center operations.

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The internal service fund accounts for operations of the District's self-insurance program for medical and dental benefits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for the fiscal agent activity for the Six District Educational Compact.

C. Basis of Presentation and Measurement Focus

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund 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.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows and all liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's proprietary funds are charges for services and sales. Operating expenses for the enterprise fund include personnel and other expenses related to the operations of the Community Education and Recreation Center and operating expenses for the internal service fund include primarily claims and purchased services expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Custodial funds are accounted for on a flow of economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payments in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5).

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the financial statements as an expense/expenditure with a like amount reported as intergovernmental revenue.

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. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax alternate budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the budgetary statement comparison for the general fund at the fund and function level of expenditures.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased tax) rates. By no later than January 20, the Board-adopted budget is filed with Summit County Budget Commission for rate determination. The Summit County Budget Commission waived this requirement for fiscal year 2023.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflects the amounts from the certificate of estimated resources that was in effect at the time the original permanent appropriations covering the entire fiscal year were passed by the Board of Education. The amounts reported as the final budgeted amounts in the budgetary statement reflects the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

Appropriations:

Upon receipt from the County Fiscal Officer of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, at the fund level, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budget amounts reflect the first appropriation for that fund covering the entire fiscal year, including amounts automatically carried over from prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

Lapsing of Appropriations:

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Cash and Investments

To improve cash management, cash received by the District is pooled into central bank accounts. Monies for all funds, including proprietary and fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2023, investments were limited to negotiable and non-negotiable certificates of deposit, commercial paper, U.S. Treasury Notes, U.S. Government agency securities, U.S. Government money market funds, sweep accounts, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and non-negotiable certificates of deposit, are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District 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 an NAV per share that approximates fair value. There are no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding $100 million is encouraged. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023, including change in fair value of investments, amounted to $1,022,801, which includes $248,342 assigned from other District funds.

For purposes of the statement of cash flows and for presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year end is provided in Note 4.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

On government-wide and fund financial statements, inventory held for consumption is reported at cost and inventory held for resale is presented at the lower of cost or market. Donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the consumption method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

On the fund financial statements, material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory held for resale is reported as nonspendable fund balance unless the proceeds from the sales are restricted, committed or assigned.

Inventory consists of expendable supplies held for consumption, donated food and purchased food held for resale, and bookstore inventory held for resale.

I. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported 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. Donated capital assets are recorded at their acquisition values as of the date received. The District's maintains a capitalization threshold of $5,000. Interest is not capitalized in the governmental funds and the District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. The District is reporting intangible right-to-use lease assets and subscription assets. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset. Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description:	Estimated Lives
Land improvements	15 - 20 years
Buildings and improvements	10 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 8 years
Computer software	3 - 9 years
Lease assets - buildings	5 years
Lease assets - equipment	5 years
Subscription assets	3 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds". Interfund balances between governmental funds are eliminated in the governmental activities column on the statement of net position.

K. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District reports compensated absences and salary related payments in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments. Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.

2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method which is based on the District's past experience of making termination payments for sick leave.

The entire compensated absence liability is reported on the government-wide financial statements and the proprietary fund financial statements.

For governmental fund financial statements, the current portion of unpaid matured compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

L. 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 the 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. Bonds and certificates of participation are recognized as a liability on the fund financial statements when due. A net pension liability and net OPEB liability is 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.

M. Fund Balance

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Treasurer. The District Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

N. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. See Note 7 for the calculation of net investment in capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for various local grants and scholarship programs.

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

O. Estimates

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Interfund Activity

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 the 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. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities.

Q. Nonpublic Schools

Within the District boundaries, there are six private or parochial schools which receive funding from the State of Ohio through current State legislation. These monies are received and disbursed on behalf of the private or parochial schools by the Treasurer of the District, as directed by the schools. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund (a nonmajor governmental fund) for financial reporting purposes.

R. Unamortized Debt Premiums and Deferred Charges on Debt Refunding

On the government-wide financial statements, premiums on long-term debt are deferred and amortized over the term of the debt using the straight-line method, which approximates the effective interest method. Debt premiums are presented as an addition to the face amount of the debt. On the governmental fund financial statements, debt premiums are recognized in the current period.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources on the statement of net position.

A reconciliation between the face value of the debt and the amount reported on the statement of net position is presented in Note 8.

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

U. Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the District's fiscal year 2023 financial statements. The District recognized a subscription liability of $38,202 in governmental activities at July 1, 2022; however, this entire amount was offset by subscription assets (capital assets).

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor funds	Deficit
Miscellaneous State Grants	$ 400
Elementary and Secondary School Emergency Relief	23,367
IDEA Part B	99,286
Title III	399
Title I	9,340
EHA Preschool Grant	3,002
Supporting Effective Instruction	9,537

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 3 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

3. Written repurchase agreements in the securities listed above provided that the fair 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 that the term of the agreement must not exceed thirty days;

4. 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;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,

8. Certain banker's acceptance for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy 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.

Protection of the District'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 pledge to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At fiscal year end, the District had $1,300 of undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and investments".

B. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was $8,054,933 and the bank balance was $9,123,535. Of the bank balance, $750,000 was covered by the FDIC, $1,696,581 was covered by the OPCS and $6,676,954 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2023, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

C. Investments

As of June 30, 2023, the District had the following investments and maturities:

		Maturities		
Measurement/ Investment Type	Measurement Value	Less than 1 year	1-2 years	More than 2 years
Fair value:				
Commercial paper	$ 5,185,825	$ 5,185,825	$ -	$ -
U.S. Treasury notes	1,061,964	821,739	240,225	-
Negotiable CDs	4,544,272	724,836	3,096,649	722,787
U.S. Government agency securities	21,616,651	15,050,292	3,876,384	2,689,975
U.S. Government money market	38,356	38,356	-	-
Sweep account	33,669	33,669	-	-
Amortized cost:				
STAR Ohio	9,256,593	9,256,593	-	-
Total	$ 41,737,330	$ 31,111,310	$ 7,213,258	$ 3,412,762

The District's investments measured as fair value are valued using quoted market prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District. The weighted average maturity of investments is approximately 0.75 years, or 275 days.

Credit Risk: The commercial paper investments are rated A-1 to A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held at June 30, 2023:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
Commercial paper	$ 5,185,825	12.43
U.S. Treasury notes	1,061,964	2.54
Negotiable CDs	4,544,272	10.89
U.S. Government agency securities	21,616,651	51.79
U.S. Government money market	38,356	0.09
Sweep account	33,669	0.08
Amortized cost:		
STAR Ohio	9,256,593	22.18
Total	$ 41,737,330	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

Cash and investments per note	
Carrying amount of deposits	$ 8,054,933
Investments	41,737,330
Cash on hand	1,300
Total	$ 49,793,563
Cash and investments per statement of net position	
Governmental activities	$ 47,928,600
Business type activities	1,452,661
Custodial funds	412,302
Total	$ 49,793,563

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2023, as reported on the fund statements consist of the following amounts due to/from other funds:

Receivable fund:	Payable fund:	Amount
General fund	Nonmajor governmental funds	$ 56,773

The primary purpose of the due to/from other funds is to cover deficit cash balances due to the advance spending of approved grant monies. The interfund balances will be repaid once the anticipated revenues are received, which is expected to be within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2023 are reported on the statement of net position.

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund statements:

Transfers from:	Transfers to:	Amount
General fund	Nonmajor governmental funds	$ 74,000
Nonmajor governmental funds	Nonmajor governmental funds	1,000,000
Total		$ 1,074,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The purpose of the general fund transfers was to subsidize extracurricular activities accounted for in the athletics and music fund. The Board of Education approved a $1,000,000 transfer from the building fund to the bond retirement fund for fiscal year 2023; this is a yearly transfer of shared revenues in an amount necessary to ensure sufficient resources to cover the required debt payments on the District's certificates of participation. The transfer of $216,818 between the governmental activities and the business-type activities was for the capital outlay associated with the purchase of turf for the stadium. This capital outlay was capitalized as part of construction in progress in the governmental activities. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 5 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was $11,671,269 in the general fund, $1,147,693 in the bond retirement fund (a nonmajor governmental fund), and $343,041 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2022 was $3,921,474 in the general fund, $387,223 in the bond retirement fund, and $116,009 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

NOTE 5 - PROPERTY TAXES - (Continued)

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 1,266,660,770	98.02	$ 1,286,430,230	97.56
Public utility personal	25,638,730	1.98	32,237,760	2.44
Total	$ 1,292,299,500	100.00	$ 1,318,667,990	100.00
Tax rate per $1,000 of assessed valuation for:				
General operations	$ 86.93		$ 86.93	
Debt service	3.95		3.95	
Permanent improvement	1.50		1.50	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2023, as reported on the statement of net position, consisted of property taxes, payments in lieu of taxes, accrued interest, and intergovernmental grants and entitlements. Receivables have been disaggregated on the face of the basic financial statements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. All receivables are expected to be collected within the subsequent year.

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023 was as follows:

	Restated Balance 07/01/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,022,386	$ -	$ -	$ 1,022,386
Construction in progress	-	1,380,854	-	1,380,854
Total capital assets, not being depreciated/amortized	1,022,386	1,380,854	-	2,403,240
Capital assets, being depreciated/amortized:				
Land improvements	11,008,034	-	-	11,008,034
Buildings and improvements	159,041,021	144,144	-	159,185,165
Furniture and equipment	6,403,271	614,086	-	7,017,357
Vehicles	3,041,334	237,604	-	3,278,938
Computer software	390,819	-	-	390,819
Lease assets - buildings	256,792	-	-	256,792
Lease assets - equipment	1,399,058	-	-	1,399,058
Subscription assets	38,202	-	-	38,202
Total capital assets, being depreciated/amortized	181,578,531	995,834	-	182,574,365
Less: accumulated depreciation/amortization				
Land improvements	(4,733,068)	(343,447)	-	(5,076,515)
Buildings and improvements	(42,261,457)	(4,230,796)	-	(46,492,253)
Furniture and equipment	(3,421,390)	(618,466)	-	(4,039,856)
Vehicles	(2,266,329)	(225,774)	-	(2,492,103)
Computer software	(390,819)	-	-	(390,819)
Lease assets - buildings	(51,359)	(51,358)	-	(102,717)
Lease assets - equipment	(279,812)	(279,812)	-	(559,624)
Subscription assets	-	(15,299)	-	(15,299)
Total accumulated depreciation/amortization	(53,404,234)	(5,764,952)	-	(59,169,186)
Total capital assets, being depreciated/amortized, net	128,174,297	(4,769,118)	-	123,405,179
Governmental activities capital assets, net	$ 129,196,683	$ (3,388,264)	$ -	$ 125,808,419

NOTE 7 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 3,625,297
Special	138,716
Vocational	106,051
Support services:	
Pupil	53,834
Instructional staff	183,910
Administration	120,281
Fiscal	22,839
Business	3,454
Operations and maintenance	216,155
Pupil transportation	209,011
Extracurricular activities	1,018,440
Food service operations	66,964
Total	$ 5,764,952

The following table illustrates the calculation of the District's net investment in capital assets. As discussed in Note 1 N., only debt and deferred inflows or outflows of resources attributable to the acquisition of capital assets are included below.

Capital assets, net	$ 125,808,419
Less capital-related debt:	
Certificates of participation	(11,395,000)
Qualified school construction bonds	(340,000)
School improvement bonds	(71,350,000)
Lease liability	(1,012,146)
Subscription liability	(20,371)
Notes payable	(5,300,000)
Unamortized premium on debt issuances	(1,012,378)
Capital assets on account	(470,290)
Add: unspent note proceeds	4,606,254
Add: deferred outflows of resources - unamortized deferred charges on debt refunding	1,081,258
Net investment in capital assets	$ 40,595,746

NOTE 8 - LONG-TERM OBLIGATIONS

A. During fiscal year 2023, the following changes occurred in the District's long-term obligations.

	Restated Balance Outstanding 06/30/22	Additions	Deletions	Balance Outstanding 06/30/23	Amount Due in One Year
Governmental activities:					
Certificates of participation:					
Series 2022 refunding	$ 12,060,000	$ -	$ (665,000)	$ 11,395,000	$ 775,000
General obligation bonds:					
Qualified school construction bonds	505,000	-	(165,000)	340,000	170,000
School improvement bonds	73,045,000	-	(1,695,000)	71,350,000	1,730,000
Total bonds and certificates of participation	85,610,000	-	(2,525,000)	83,085,000	2,675,000
Lease liability	1,335,877	-	(323,731)	1,012,146	330,462
Subscription liability	38,202	-	(17,831)	20,371	20,371
Notes payable	315,179	5,300,000	(156,793)	5,458,386	668,386
Compensated absences	4,119,836	746,664	(439,696)	4,426,804	436,928
Net pension liability	43,386,159	29,016,028	-	72,402,187	-
Net OPEB liability	5,295,368	-	(1,456,346)	3,839,022	-
Total, governmental activities	140,100,621	35,062,692	(4,919,397)	170,243,916	4,131,147
Unamortized premiums	4,146,842	-	(212,411)	3,934,431	-
Total on statement of net position	$ 144,247,463	$ 35,062,692	$ (5,131,808)	$ 174,178,347	$ 4,131,147

	Balance Outstanding 06/30/22	Additions	Deletions	Balance Outstanding 06/30/23	Amount Due in One Year
Business-type activities:					
Compensated absences	$ 43,777	$ 23,270	$ (26,287)	$ 40,760	$ 18,394
Net pension liability	507,101	208,693	-	715,794	-
Net OPEB liability	222,478	-	(60,745)	161,733	-
Total, business-type activities	$ 773,356	$ 231,963	$ (87,032)	$ 918,287	$ 18,394

All bonds and certificates of participation are backed by the full faith and credit of the District and are paid from the general fund or bond retirement fund. Compensated absences, the net pension liability, and the net OPEB liability will be paid from the fund from which the employee is paid, which is primarily the general fund and the food service fund (a nonmajor governmental fund). See Note 11 for more detail on the net pension liability. See Note 12 for more detail on the net OPEB liability.

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Certificates of Participation, Series 2022 Refunding

The refunding certificates of participation (COPs) were issued on April 5, 2022 in order to advance refund the previously outstanding COPs, which were issued to finance various construction projects throughout the District. The refunding issue consisted of serial COPs, par value $12,060,000. The refunding COPs were issued at an interest rate of 4% and the final maturity date stated in the issue is June 1, 2034. The refunding resulted in total future debt service savings of $905,714 and an economic gain of $800,727.

The issuance proceeds of $12,953,434, plus an additional $755,430 of cash on hand, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in substance) and accordingly has been removed from the statement of net position. The defeased COPs were called on June 1, 2022 therefore there is no defeased debt outstanding.

Qualified School Construction Bonds

The qualified school construction bonds were issued during fiscal year 2010 in the amount of $2,274,257. The proceeds were used to finance various energy improvements throughout the District. The bonds bear an interest rate of 1.69%. Payments on the bonds, which mature on September 15, 2024, are made from the general fund.

School Improvement Bonds

The school improvement bonds were issued on March 6, 2018 in the amount of $81,550,000. The proceeds are being used to finance construction of a new middle school and improvements to other District facilities. The bonds bear an interest rate ranging from 2% to 5% and mature on December 1, 2047. Debt payments are made from the bond retirement fund with the proceeds from a voted property tax levy.

Lease Liability

The District has entered into a lease agreement for the right to use copier equipment. The term for the lease is 60 months. The District has also entered into a lease agreement to use a building. The lease term is five years, ending on June 30, 2026. Payments on both leases are due monthly with the final payments due June 1, 2026. Lease payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Subscription Liability

The District has entered into agreements for the right to use software. Due to the implementation of GASB Statement No. 96, the District will report an intangible right-to-use capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription term for these agreements is 3 years, with the final payments due in fiscal year 2024 in the aggregate amount of $20,371 for principal and $424 for interest. Subscription payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Notes Payable

On July 15, 2021, the District entered into a financed purchase agreement to acquire laptops. The first payment was made on October 15, 2021 and subsequent payments are due July 15 of 2022 and 2023. Although the District has title to the equipment, no assets were capitalized as all assets were individually below the District's $5,000 capitalization threshold.

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

On April 10, 2023, the District entered into a financed purchase agreement to provide funding for HVAC improvements District-wide. The original issuance amount was $5,300,000 and the interest rate is 3.604%. The notes mature on December 1, 2032.

Payments on the notes have been reclassified and are reflected as debt service expenditures for the general fund and permanent improvement fund (a nonmajor governmental fund) in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

B. Principal and interest requirements to retire the certificates of participation outstanding at June 30, 2023, are as follows:

Fiscal Year	Certificates of Participation		
Ending June 30,	Principal	Interest	Total
2024	$ 775,000	$ 455,800	$ 1,230,800
2025	820,000	424,800	1,244,800
2026	870,000	392,000	1,262,000
2027	915,000	357,200	1,272,200
2028	970,000	320,600	1,290,600
2029 - 2033	5,705,000	977,400	6,682,400
2034	1,340,000	53,600	1,393,600
Total	$ 11,395,000	$ 2,981,400	$ 14,376,400

C. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2023, are as follows:

Fiscal Year	School Improvement Bonds			Qualified School Construction Bonds		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2024	$ 1,730,000	$ 2,800,488	$ 4,530,488	$ 170,000	$ 4,310	$ 174,310
2025	1,770,000	2,756,738	4,526,738	170,000	1,436	171,436
2026	1,815,000	2,711,925	4,526,925	-	-	-
2027	1,860,000	2,642,738	4,502,738	-	-	-
2028	1,955,000	2,547,363	4,502,363	-	-	-
2029 - 2033	11,270,000	11,237,365	22,507,365	-	-	-
2034 - 2038	13,785,000	8,692,890	22,477,890	-	-	-
2039 - 2043	16,775,000	5,646,690	22,421,690	-	-	-
2044 - 2048	20,390,000	1,972,071	22,362,071	-	-	-
Total	$ 71,350,000	$ 41,008,268	$ 112,358,268	$ 340,000	$ 5,746	$ 345,746

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

D. Principal and interest requirements to retire the lease liability and notes payable at June 30, 2023, are as follows:

Fiscal Year	Lease Liability			Notes Payable		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2024	$ 330,462	$ 17,742	$ 348,204	$ 668,386	$ 212,145	$ 880,531
2025	337,334	10,870	348,204	460,000	164,342	624,342
2026	344,350	3,854	348,204	475,000	147,494	622,494
2027	-	-	-	495,000	130,014	625,014
2028	-	-	-	510,000	111,904	621,904
2029 - 2033	-	-	-	2,850,000	263,992	3,113,992
Total	$ 1,012,146	$ 32,466	$ 1,044,612	$ 5,458,386	$ 1,029,891	$ 6,488,277

E. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of $52,330,758 (including available funds of $5,340,639) and an unvoted debt margin of $1,318,668.

NOTE 9 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working 11 or 12 months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For non-certified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 144 days and adding to that one day for every eight days in excess of 144 days to a maximum of 36 additional days of severance. Maximum severance in total is 72 days. For certified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 172 days and adding to that one extra day for every eight days in excess of 172 days to a maximum of 43 additional days of severance. Maximum severance in total is 86 days. See Note 1.K. for further detail on the financial reporting of the District's compensated absences.

NOTE 10 - RISK MANAGEMENT

A. General Insurance

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District has a comprehensive property and casualty policy with deductibles that vary from $0 to $50,000 depending on the type of coverage. The District's vehicle liability insurance policy limit is $5,000,000 with a $1,000 collision deductible. All Board Members, administrators and employees are covered under a District liability policy. The limits of this coverage are $5,000,000 per occurrence and $7,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

B. Fidelity Bond

The Treasurer is covered under a surety bond in the amount of $50,000. Selected other employees are covered for faithful performance in the District's property and casualty liability policy for $100,000, subject to a $1,000 deductible.

C. Employee Health Insurance

The District has elected to provide employee medical and prescription benefits through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This plan provides a medical plan with a $400 family and $200 single deductible. A third party administrator reviews and processes all claims for payment. Medical Mutual of Ohio is the claims administrator for medical and prescription claims. The District provides fully insured dental coverage through Delta Dental of Ohio preferred provider organization. Employees are offered two plan options, a High and a Low plan. Both plans have a $25 deductible per person annual deductible capped at $50 per family. The District purchases stop-loss coverage for the medical/prescription coverage of $125,000 per individual and $1,000,000 for the aggregate maximum limit of reimbursement liability.

The District pays into the self-insurance internal service fund for full-time medical and prescription drug family coverage $2,404 per month for certified, classified and administrative employees. Single coverage full-time costs are $1,096 for certified, classified and administrative employees. Employees are considered part-time if they work 17.5 or more hours per week for certified staff or 25 or more hours per week for classified staff and administrators and less than 35 hours per week. Part-time employees are eligible for family and single coverage. The premiums for part-time employees are prorated according to hours worked per week for certified employees and classified employees.

The District provides prescription drug insurance to its employees through a self-insured program. The District pays the cost of prescription drugs above the employee co-payment for a 34 day supply. The employee co-payment for a 34 day supply is: generic $25, preferred $30 and non-preferred $40. The District pays the cost of mail order prescriptions above the employee co-payment for a 90 day supply. The employee co-payment for a 90 day mail order supply is: generic $50, preferred $60 and non-preferred $80. The third party administrator, Medical Mutual of Ohio, reviews and processes the claims. The premium for this coverage is included in the medical plan premium amounts stated above.

Dental coverage is provided on a fully-insured basis through Delta Dental of Ohio. There are two dental plans; Low plan and High plan. For this coverage, the District pays $56 and $106 per month under the Low and High plans, respectively, for family coverage and $18 and $38 per month under the Low and High plans, respectively, for single coverage for certified employees. Premiums for classified employees are prorated according to hours worked per 35-hour week with premiums ranging from $10 to $72 for family coverage and $3 to $26 for single coverage. Employees working 17.5 or more hours per week for certified staff or 25 hours per week for classified and administrative staff are eligible for dental coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages of fixed rates established in each plan.

NOTE 10 - RISK MANAGEMENT - (Continued)

The premiums are paid by the funds that pay the salary for the employees, except for those grant funds whose agreements do not fund employee health insurance, and is based on historical cost information.

The claims liability of $1,134,000 reported in the internal service fund at June 30, 2023, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for the past two fiscal years are as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2023	$ 1,068,000	$ 12,295,828	$ (12,229,828)	$ 1,134,000
2022	922,000	11,687,432	(11,541,432)	1,068,000

Post-employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 12.

D. Workers' Compensation

The District participates in a workers' compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. Sedgwick is the program's third-party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through the group retrospective rating. The District has chosen to participate in the group retrospective rating program for fiscal year 2023. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

Prior to January 1, 2012, the District participated in the Ohio Bureau of Workers' Compensation (Bureau) Individual Retrospective Rating program. In the program, the District assumed a portion of the risk in return for a reduction in premium.

The District's Retrospective Rating program is accounted for in the general fund which pays for all claims, claim reserves and administrative costs of the program. The general fund generates revenues by charging each fund a percentage rate determined by the Bureau for the payroll during the reporting period.

The District is liable for a portion of claims incurred while under the Retrospective Rating program. The claims liability is recorded based on an actuarial determination of future claims, review of five years of claim liabilities and claim payment trends. The change in claims activity for the past two fiscal years is as follows:

Fiscal Year	Beginning Balance	Claims and Changes In Estimates	Claims Payments	Ending Balance
2023	$ 18,934	$ 49,507	$ (57,421)	$ 11,020
2022	54,171	(11,421)	(23,816)	18,934

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

The net pension/OPEB liability (asset) represent the District'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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $1,539,151 for fiscal year 2023. Of this amount, $84,538 is reported as a liability.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $5,011,840 for fiscal year 2023. Of this amount, $859,106 is reported as a liability.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.282723220%	0.261707020%	
Proportion of the net pension liability current measurement date	0.278413962%	0.261173449%	
Change in proportionate share	-0.004309258%	-0.000533571%	
Proportionate share of the net pension liability	$ 15,058,793	$ 58,059,188	$ 73,117,981
Pension expense	$ 453,799	$ 6,728,306	$ 7,182,105

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 609,894	$ 743,233	$ 1,353,127
Net difference between projected and actual earnings on pension plan investments	-	2,020,333	2,020,333
Changes of assumptions	148,588	6,947,940	7,096,528
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	13,619	122,815	136,434
Contributions subsequent to the measurement date	1,539,151	5,011,840	6,550,991
Total deferred outflows of resources	$ 2,311,252	$ 14,846,161	$ 17,157,413

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 98,857	$ 222,096	$ 320,953
Net difference between projected and actual earnings on pension plan investments	525,483	-	525,483
Changes of assumptions	-	5,229,802	5,229,802
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	254,501	454,825	709,326
Total deferred inflows of resources	$ 878,841	$ 5,906,723	$ 6,785,564

$6,550,991 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (101,144)	$ 4,165	$ (96,979)
2025	(128,201)	(315,446)	(443,647)
2026	(750,664)	(1,649,267)	(2,399,931)
2027	873,269	5,888,146	6,761,415
Total	$ (106,740)	$ 3,927,598	$ 3,820,858

Actuarial Assumptions - SERS

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

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

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

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NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. 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 earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 22,165,824	$ 15,058,793	$ 9,071,215

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 87,706,295	$ 58,059,188	$ 32,986,912

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $207,418.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $207,418 for fiscal year 2023, which is reported as a liability.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.291551210%	0.261707020%	
Proportion of the net OPEB liability/asset current measurement date	0.284951976%	0.261173449%	
Change in proportionate share	-0.006599234%	-0.000533571%	
Proportionate share of the net OPEB liability	$ 4,000,755	$ -	$ 4,000,755
Proportionate share of the net OPEB (asset)	$ -	$ (6,762,649)	$ (6,762,649)
OPEB expense	$ (370,781)	$ (1,203,577)	$ (1,574,358)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 33,630	$ 98,036	$ 131,666
Net difference between projected and actual earnings on OPEB plan investments	20,795	117,720	138,515
Changes of assumptions	636,373	288,065	924,438
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	174,414	85,408	259,822
Contributions subsequent to the measurement date	207,418	-	207,418
Total deferred outflows of resources	$ 1,072,630	$ 589,229	$ 1,661,859

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,559,176	$ 1,015,630	$ 3,574,806
Changes of assumptions	1,642,338	4,795,378	6,437,716
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	588,394	19,619	608,013
Total deferred inflows of resources	$ 4,789,908	$ 5,830,627	$ 10,620,535

$207,418 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (902,118)	$ (1,535,982)	$ (2,438,100)
2025	(852,333)	(1,500,856)	(2,353,189)
2026	(757,215)	(719,181)	(1,476,396)
2027	(527,474)	(293,950)	(821,424)
2028	(351,821)	(391,081)	(742,902)
Thereafter	(533,735)	(800,348)	(1,334,083)
Total	$ (3,924,696)	$ (5,241,398)	$ (9,166,094)

Actuarial Assumptions - SERS

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

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.

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NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 4,968,999	$ 4,000,755	$ 3,219,120

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,085,300	$ 4,000,755	$ 5,196,488

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 6,262,339	$ 6,762,649	$ 7,200,158

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 7,014,513	$ 6,762,649	$ 6,444,734

NOTE 13 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are 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, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2023, if applicable, cannot be determined at this time.

B. Litigation

In the normal course of operations, the District may be subject to litigation and claims. While the outcome of such matters cannot presently be determined, management believes that their ultimate resolution will not have a material adverse effect on the financial statements.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District and is immaterial and therefore not reflected in the financial statements.

NOTE 14 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

NOTE 14 - SET-ASIDES - (Continued)

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

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	978,857
Current year offsets	(1,554,475)
Total	$ (575,618)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis); and,

(e) Investments are recorded at fair value (GAAP basis) instead of at cost (budget basis).

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	General fund
Budget basis	$ (2,780,479)
Net adjustment for revenue accruals	7,658,875
Net adjustment for expenditure accruals	(500,032)
Net adjustment for other sources/uses	(29,901)
Funds budgeted elsewhere	28,876
Adjustment for encumbrances	848,199
GAAP basis	$ 5,225,538

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the rotary fund, public school support fund and special trust fund.

NOTE 16 - COOPERATIVE AGREEMENT

In 2004, the City of Hudson and the District entered into a cooperative agreement to dedicate 13.5 percent of the revenues that are collected annually from an additional 1 percent municipal income tax levy to provide for the acquisition, construction, equipping, furnishing, financing, and the operation and maintenance of Community Learning Centers. The District is considered the owner of the improvements to the Community Learning Centers. The agreement shall remain for so long as a portion of the municipal income tax is being levied for the purpose of providing dedicated tax revenues, or for such time as debt issued to finance costs associated with the Community Learning Centers is outstanding, whichever period ends later.

The City of Hudson shall make payments to the District in an amount sufficient to enable the District to make timely debt service payments on the Certificates of Participation that were issued by the District to finance improvement costs associated with the Community Learning Centers. The City of Hudson shall also make payments to the District in which the funds will be applied to pay costs of improvements to the Community Learning Centers, as detailed in the agreement. The District received $2,266,981 from the City of Hudson during fiscal year 2023 as a result of this agreement. This revenue is reported in the building fund and bond retirement fund (both nonmajor governmental funds).

NOTE 17 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end, which include outstanding construction contracts, may be reported as part of restricted, committed, or assigned classifications of fund balance. The following table shows the District's outstanding encumbrances, net of any amounts reported as a liability.

Fund	Year-End Encumbrances
General	$ 819,639
Nonmajor governmental funds	944,708
Total	$ 1,764,347

NOTE 18 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Hudson and the Village of Boston Heights have entered into agreements with local businesses for the abatement of property taxes to bring jobs and economic development into the area. These agreements affect the property tax receipts collected and distributed to the District. As a result of the agreements, the District's property tax revenues were reduced by $736,336 during fiscal year 2023. The District received $508,343 as compensation for the foregone taxes, which is recorded as payment in lieu of taxes revenue in the general fund.

NOTE 19 - SUBSEQUENT EVENTS

At the November 7, 2023 election, District voters approved a 5.5 mill property tax levy. The levy is effective January 1, 2024 and will generate approximately $7,243,000 annually in new money, which is to be used for the general operations of the District.

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REQUIRED SUPPLEMENTARY INFORMATION

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.27841396%	0.28272322%	0.28834221%	0.29541091%
District's proportionate share of the net pension liability	$ 15,058,793	$ 10,431,666	$ 19,071,560	$ 17,674,953
District's covered payroll	$ 10,459,507	$ 9,723,436	$ 10,131,943	$ 10,138,222
District's proportionate share of the net pension liability as a percentage of its covered payroll	143.97%	107.28%	188.23%	174.34%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.28519554%	0.29791068%	0.30361027%	0.30686400%	0.30701700%	0.30701700%
$ 16,333,677	$ 17,799,504	$ 22,221,471	$ 17,509,957	$ 15,537,956	$ 18,257,316
$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306	$ 7,335,853
168.90%	187.30%	234.47%	189.54%	174.17%	248.88%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.26117345%	0.26170702%	0.25972306%	0.26030856%
District's proportionate share of the net pension liability	$ 58,059,188	$ 33,461,594	$ 62,843,739	$ 57,565,674
District's covered payroll	$ 33,870,200	$ 32,517,707	$ 31,407,457	$ 30,750,714
District's proportionate share of the net pension liability as a percentage of its covered payroll	171.42%	102.90%	200.09%	187.20%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.25987515%	0.25609999%	0.25761786%	0.26310210%	0.26831696%	0.26831696%
$ 57,140,711	$ 60,837,103	$ 86,232,462	$ 72,713,725	$ 65,263,971	$ 77,742,015
$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577	$ 28,446,892
189.81%	216.36%	315.80%	261.74%	238.06%	273.29%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 1,539,151	$ 1,464,331	$ 1,361,281	$ 1,418,472
Contributions in relation to the contractually required contribution	(1,539,151)	(1,464,331)	(1,361,281)	(1,418,472)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,993,936	$ 10,459,507	$ 9,723,436	$ 10,131,943
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,368,660	$ 1,305,567	$ 1,330,445	$ 1,326,840	$ 1,217,596	$ 1,236,493
(1,368,660)	(1,305,567)	(1,330,445)	(1,326,840)	(1,217,596)	(1,236,493)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,138,222	$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 5,011,840	$ 4,741,828	$ 4,552,479	$ 4,397,044
Contributions in relation to the contractually required contribution	(5,011,840)	(4,741,828)	(4,552,479)	(4,397,044)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 35,798,857	$ 33,870,200	$ 32,517,707	$ 31,407,457
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 4,305,100	$ 4,214,580	$ 3,936,656	$ 3,822,849	$ 3,889,394	$ 3,563,895
(4,305,100)	(4,214,580)	(3,936,656)	(3,822,849)	(3,889,394)	(3,563,895)
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,750,714	$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.28495198%	0.29155121%	0.29903036%	0.30203100%
District's proportionate share of the net OPEB liability	$ 4,000,755	$ 5,517,846	$ 6,498,908	$ 7,595,445
District's covered payroll	$ 10,459,507	$ 9,723,436	$ 10,131,943	$ 10,138,222
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.25%	56.75%	64.14%	74.92%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.28908086%	0.30216347%	0.30907880%
$ 8,019,884	$ 8,109,274	$ 8,809,889
$ 9,670,867	$ 9,503,179	$ 9,477,429
82.93%	85.33%	92.96%
13.57%	12.46%	11.49%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.26117345%	0.26170702%	0.25972306%	0.26030856%
District's proportionate share of the net OPEB liability/(asset)	$ (6,762,649)	$ (5,517,878)	$ (4,564,632)	$ (4,311,334)
District's covered payroll	$ 33,870,200	$ 32,517,707	$ 31,407,457	$ 30,750,714
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.97%	16.97%	14.53%	14.02%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.25987515%	0.25609999%	0.25926828%
$ (4,175,928)	$ 9,992,076	$ 13,865,735
$ 30,104,143	$ 28,118,971	$ 27,306,064
13.87%	35.53%	50.78%
176.00%	47.10%	37.30%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 207,418	$ 187,475	$ 187,391	$ 191,180
Contributions in relation to the contractually required contribution	(207,418)	(187,475)	(187,391)	(191,180)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,993,936	$ 10,459,507	$ 9,723,436	$ 10,131,943
Contributions as a percentage of covered payroll	1.89%	1.79%	1.93%	1.89%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 231,742	$ 203,392	$ 164,889	$ 155,709	$ 230,709	$ 164,656
(231,742)	(203,392)	(164,889)	(155,709)	(230,709)	(164,656)
$ -	$ -	$ -	$ -	$ -	$ -
$ 10,138,222	$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306
2.29%	2.10%	1.74%	1.64%	2.50%	1.85%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 35,798,857	$ 33,870,200	$ 32,517,707	$ 31,407,457
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ -	$ 279,199
-	-	-	-	-	(279,199)
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,750,714	$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit receipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.

- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

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HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS
GENERAL FUND

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Rotary - This fund is used to account for the District's activities for which a fee is charged to users for goods and services.

Public School Support - This fund accounts for school site sales projects; field trips, assemblies and other activity costs. These funds have been developed at each school with purpose and policy statements.

Special Trust - Special fund that is used to account for contributions for school district programs that are not restricted in use.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Rotary			
Total Revenues and Other Financing Sources	$ 400,000	$ 459,272	$ 59,272
Total Expenditures and Other Financing Uses	680,865	527,846	153,019
Net Change in Fund Balance	(280,865)	(68,574)	212,291
Fund Balance, July 1	372,972	372,972	-
Prior Year Encumbrances Appropriated	5,865	5,865	-
Fund Balance, June 30	$ 97,972	$ 310,263	$ 212,291
Public School Support			
Total Revenues and Other Financing Sources	$ 442,000	$ 274,600	$ (167,400)
Total Expenditures and Other Financing Uses	548,553	301,406	247,147
Net Change in Fund Balance	(106,553)	(26,806)	79,747
Fund Balance, July 1	234,215	234,215	-
Prior Year Encumbrances Appropriated	63,553	63,553	-
Fund Balance, June 30	$ 191,215	$ 270,962	$ 79,747
Special Trust			
Total Revenues and Other Financing Sources	$ 19,739	$ 20,217	$ 478
Total Expenditures and Other Financing Uses	49,487	21,388	28,099
Net Change in Fund Balance	(29,748)	(1,171)	28,577
Fund Balance, July 1	29,547	29,547	-
Prior Year Encumbrances Appropriated	201	201	-
Fund Balance, June 30	$ -	$ 28,577	$ 28,577

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The special revenue funds are established to account for revenues from specific sources, which legally, or otherwise, are restricted to expenditures for specified purposes. A description of the District's special revenue funds are as follows:

Other Grants - This fund accounts for the proceeds of specific revenue sources except for State and federal grants that are legally restricted to expenditures for specified purposes.

Student Activities - This fund accounts for resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Athletics and Music - This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the District's athletics and music programs.

Auxiliary Services - This fund is used to account for monies which provide services and materials to pupils attending non-public schools within the District.

Data Communications - This fund accounts for money appropriated for Ohio Educational Computer Network Connections.

Other State Grants - A miscellaneous fund to account for certain State grants not accounted for in other funds.

Elementary & Secondary School Emergency Relief - This fund accounts for Federal grant monies to provide emergency support to school districts that have been most significantly impacted by coronavirus. These monies are restricted to support the school district to continue to provide educational services to its students.

IDEA Part B - This fund accounts for federal revenues which assist states in the identification of handicapped children and provision of full educational opportunities of handicapped children at the pre-school, elementary and secondary levels.

Title III - Used to account for federal grant monies provided to develop and carry out elementary and secondary school programs, including activities at the preschool level, to meet the educational needs of children of limited English proficiency.

Title I - To provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children.

EHA Preschool Grant - A federal grant fund that addresses the improvement and expansion of services for handicapped children ages three to five years.

Supporting Effective Instruction - To account for grant monies used to provide for improved instruction through better use of technology.

Other Federal Grants - This fund accounts for various monies received through State agencies from the federal government or directly from the federal government which are not classified elsewhere.

Student Support and Academic Enrichment - This fund accounts for a federal grant used to provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to enhance the academic achievement and digital literacy of all students.

FUND DESCRIPTIONS
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED)

Food Service - To account for monies received and used for the food service operations of the District.

Other Special Revenue - A fund used to account for the proceeds of specific revenue sources, except for State and federal grants, that are legally restricted for specified purposes.

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CAPITAL PROJECTS FUNDS

The capital projects funds account for the receipts and disbursements of monies used for the acquisition, construction or major renovation of capital facilities (other than those financed by enterprise funds).

Building - This fund is used to account for the receipts and expenditures involved in the construction and replacement of facilities for the instruction of students. A portion of the proceeds from the sale of certificates of participation are paid into this fund. Expenditures recorded here represent the costs of acquiring and improving capital facilities.

Permanent Improvement - The permanent improvement fund may be used for acquiring real estate for school purposes; for constructing, adding to, remodeling and improving school buildings. Such expenditures shall add permanently to the school land or buildings, or extend the useful life of existing buildings for five years or more. The fund may also be used for landscaping and making other school site improvements which have an anticipated useful life of five years or more.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 3,157,126	$ 4,192,946	$ 9,457,414	$ 16,807,486
Receivables:				
Property taxes	-	5,242,691	1,428,303	6,670,994
Intergovernmental	402,799	-	-	402,799
Prepayments	3,959	-	-	3,959
Materials and supplies inventory	1,454	-	-	1,454
Inventory held for resale	4,697	-	-	4,697
Total assets	$ 3,570,035	$ 9,435,637	$ 10,885,717	$ 23,891,389
Liabilities:				
Accounts payable	$ 69,242	$ -	$ 7,912	$ 77,154
Contracts payable	-	-	470,290	470,290
Accrued wages and benefits payable	400,387	-	-	400,387
Compensated absences payable	5,937	-	-	5,937
Intergovernmental payable	5,919	-	-	5,919
Pension obligation payable	80,300	-	248	80,548
Due to other funds	56,773	-	-	56,773
Total liabilities	618,558	-	478,450	1,097,008
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	4,024,575	1,063,734	5,088,309
Delinquent property tax revenue not available	-	70,423	21,528	91,951
Intergovernmental revenue not available	147,889	-	-	147,889
Total deferred inflows of resources	147,889	4,094,998	1,085,262	5,328,149
Fund balances:				
Nonspendable:				
Materials and supplies inventory	1,454	-	-	1,454
Prepayments	3,959	-	-	3,959
Restricted:				
Debt service	-	5,340,639	-	5,340,639
Capital improvements	-	-	9,322,005	9,322,005
Food service operations	1,805,434	-	-	1,805,434
Non-public schools	110,905	-	-	110,905
Federally funded programs	387,662	-	-	387,662
Extracurricular activities	439,955	-	-	439,955
Other purposes	202,508	-	-	202,508
Unassigned (deficit)	(148,289)	-	-	(148,289)
Total fund balances	2,803,588	5,340,639	9,322,005	17,466,232
Total liabilities, deferred inflows of resources and fund balances	$ 3,570,035	$ 9,435,637	$ 10,885,717	$ 23,891,389

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	$ -	$ 5,860,761	$ 1,619,112	$ 7,479,873
Intergovernmental	6,169,056	91,556	2,367,128	8,627,740
Investment earnings	40,187	-	5,769	45,956
Tuition and fees	2,140	-	-	2,140
Extracurricular	717,711	-	-	717,711
Charges for services	1,779,005	-	-	1,779,005
Contributions and donations	499,525	-	711,000	1,210,525
Miscellaneous	31,357	-	122,996	154,353
Total revenues	9,238,981	5,952,317	4,826,005	20,017,303
Expenditures:				
Current:				
Instruction:				
Regular	2,102,213	-	205,077	2,307,290
Special	1,603,555	-	-	1,603,555
Vocational	2,821	-	-	2,821
Other	9,000	-	-	9,000
Support services:				
Pupil	147,784	-	-	147,784
Instructional staff	145,819	-	-	145,819
Administration	56,754	-	-	56,754
Fiscal	-	169,344	29,126	198,470
Operations and maintenance	65,115	-	-	65,115
Pupil transportation	7,470	-	186,895	194,365
Central	800,000	-	-	800,000
Operation of non-instructional services:				
Food service operations	2,055,368	-	-	2,055,368
Other non-instructional services	287,105	-	-	287,105
Extracurricular activities	934,206	-	-	934,206
Facilities acquisition and construction	284,587	-	3,219,597	3,504,184
Debt service:				
Principal retirement	-	2,360,000	78,396	2,438,396
Interest and fiscal charges	-	3,396,503	2,428	3,398,931
Debt issuance costs	-	-	76,500	76,500
Total expenditures	8,501,797	5,925,847	3,798,019	18,225,663
Excess (deficiency) of revenues over (under) expenditures	737,184	26,470	1,027,986	1,791,640
Other financing sources (uses):				
Proceeds from sale of assets	3,133	-	-	3,133
Issuance of notes	-	-	5,300,000	5,300,000
Transfers in	74,000	1,000,000	-	1,074,000
Transfers (out)	-	-	(1,000,000)	(1,000,000)
Total other financing sources (uses)	77,133	1,000,000	4,300,000	5,377,133
Net change in fund balances	814,317	1,026,470	5,327,986	7,168,773
Fund balances at beginning of year	1,989,271	4,314,169	3,994,019	10,297,459
Fund balances at end of year	$ 2,803,588	$ 5,340,639	$ 9,322,005	$ 17,466,232

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services	Other State Grants
Assets:					
Equity in pooled cash and investments	$ 205,134	$ 60,840	$ 393,456	$ 118,653	$ -
Receivables:					
Intergovernmental	-	-	-	-	-
Prepayments	-	-	41	-	-
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 205,134	$ 60,840	$ 393,497	$ 118,653	$ -
Liabilities:					
Accounts payable	$ 16,725	$ -	$ 14,037	$ 7,748	$ 400
Accrued wages and benefits payable	-	-	-	-	-
Compensated absences payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Pension obligations payable	-	-	304	-	-
Due to other funds	-	-	-	-	-
Total liabilities	16,725	-	14,341	7,748	400
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	-	-	41	-	-
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	110,905	-
Federally funded programs	-	-	-	-	-
Extracurricular activities	-	60,840	379,115	-	-
Other purposes	188,409	-	-	-	-
Unassigned (deficit)	-	-	-	-	(400)
Total fund balances (deficits)	188,409	60,840	379,156	110,905	(400)
Total liabilities, deferred inflows of resources and fund balances	$ 205,134	$ 60,840	$ 393,497	$ 118,653	$ -

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HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2023

	Elementary and Secondary School Emergency Relief	IDEA Part B	Title III	Title I	EHA Preschool Grant
Assets:					
Equity in pooled cash and investments	$ -	$ 8,254	$ 26	$ 3,156	$ -
Receivables:					
Intergovernmental	172,968	167,954	789	15,958	6,355
Prepayments	974	1,670	8	184	73
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 173,942	$ 177,878	$ 823	$ 19,298	$ 6,428
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued wages and benefits payable	105,520	148,400	691	16,216	5,370
Compensated absences payable	-	-	-	-	-
Intergovernmental payable	2,279	1,673	10	226	14
Pension obligations payable	20,703	26,135	114	2,672	971
Due to other funds	44,466	-	-	-	-
Total liabilities	172,968	176,208	815	19,114	6,355
Deferred inflows of resources:					
Intergovernmental revenue not available	24,341	100,956	407	9,524	3,075
Total deferred inflows of resources	24,341	100,956	407	9,524	3,075
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	974	1,670	8	184	73
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	-	-
Federally funded programs	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned (deficit)	(24,341)	(100,956)	(407)	(9,524)	(3,075)
Total fund balances (deficits)	(23,367)	(99,286)	(399)	(9,340)	(3,002)
Total liabilities, deferred inflows of resources and fund balances	$ 173,942	$ 177,878	$ 823	$ 19,298	$ 6,428

Supporting Effective Instruction	Other Federal Grants	Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
$ -	$ 410,338	$ 1,942,153	$ 15,116	$ 3,157,126
38,775	-	-	-	402,799
49	-	960	-	3,959
-	-	1,454	-	1,454
-	-	4,697	-	4,697
$ 38,824	$ 410,338	$ 1,949,264	$ 15,116	$ 3,570,035
$ 3,999	$ 22,676	$ 2,640	$ 1,017	$ 69,242
17,798	-	106,392	-	400,387
-	-	5,937	-	5,937
859	-	858	-	5,919
3,812	-	25,589	-	80,300
12,307	-	-	-	56,773
38,775	22,676	141,416	1,017	618,558
9,586	-	-	-	147,889
9,586	-	-	-	147,889
-	-	1,454	-	1,454
49	-	960	-	3,959
-	-	1,805,434	-	1,805,434
-	-	-	-	110,905
-	387,662	-	-	387,662
-	-	-	-	439,955
-	-	-	14,099	202,508
(9,586)	-	-	-	(148,289)
(9,537)	387,662	1,807,848	14,099	2,803,588
$ 38,824	$ 410,338	$ 1,949,264	$ 15,116	$ 3,570,035

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services	Data Communications
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ 1,333,550	$ 9,000
Investment earnings	-	-	-	8,403	-
Tuition and fees	-	-	2,140	-	-
Extracurricular	-	92,801	624,910	-	-
Charges for services	-	-	-	-	-
Contributions and donations	190,785	200	69,190	-	-
Miscellaneous	-	-	31,357	-	-
Total revenues	190,785	93,001	727,597	1,341,953	9,000
Expenditures:					
Current:					
Instruction:					
Regular	65,933	13,965	-	1,299,343	-
Special	-	-	-	-	-
Vocational	2,821	-	-	-	-
Other	-	-	-	-	9,000
Support services:					
Pupil	8,318	-	-	-	-
Instructional staff	1,725	-	-	-	-
Administration	15,000	-	-	33,283	-
Operations and maintenance	13,254	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	-	-
Extracurricular activities	24,369	101,173	808,664	-	-
Facilities acquisition and construction	15,250	-	-	-	-
Total expenditures	146,670	115,138	808,664	1,332,626	9,000
Excess (deficiency) of revenues over (under) expenditures	44,115	(22,137)	(81,067)	9,327	-
Other financing sources:					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	74,000	-	-
Total other financing sources	-	-	74,000	-	-
Net change in fund balances	44,115	(22,137)	(7,067)	9,327	-
Fund balances (deficits) at beginning of year	144,294	82,977	386,223	101,578	-
Fund balances (deficits) at end of year	$ 188,409	$ 60,840	$ 379,156	$ 110,905	$ -

Other State Grants	Elementary and Secondary School Emergency Relief	IDEA Part B	Title III	Title I	EHA Preschool Grant	Supporting Effective Instruction
$ 813	$ 1,878,241	$ 1,449,425	$ 13,684	$ 132,743	$ 41,936	$ 110,869
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
813	1,878,241	1,449,425	13,684	132,743	41,936	110,869
-	722,972	-	-	-	-	-
-	85,064	1,340,414	5,548	129,314	43,215	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	75,792	62,826	-	-	-	-
-	-	29,554	1,000	-	-	108,800
-	6,360	-	-	-	-	2,111
813	24,976	-	-	-	-	-
-	7,070	-	-	400	-	-
-	800,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	28,898	6,608	1,496	-	8,759
-	-	-	-	-	-	-
25,123	155,000	-	-	-	-	-
25,936	1,877,234	1,461,692	13,156	131,210	43,215	119,670
(25,123)	1,007	(12,267)	528	1,533	(1,279)	(8,801)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(25,123)	1,007	(12,267)	528	1,533	(1,279)	(8,801)
24,723	(24,374)	(87,019)	(927)	(10,873)	(1,723)	(736)
$ (400)	$ (23,367)	$ (99,286)	$ (399)	$ (9,340)	$ (3,002)	$ (9,537)

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HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Other Federal Grants	Student Support and Academic Enrichment	Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:					
Intergovernmental	$ 500,114	$ 6,853	$ 691,828	$ -	$ 6,169,056
Investment earnings	-	-	31,784	-	40,187
Tuition and fees	-	-	-	-	2,140
Extracurricular	-	-	-	-	717,711
Charges for services	-	-	1,779,005	-	1,779,005
Contributions and donations	-	-	-	239,350	499,525
Miscellaneous	-	-	-	-	31,357
Total revenues	500,114	6,853	2,502,617	239,350	9,238,981
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	2,102,213
Special	-	-	-	-	1,603,555
Vocational	-	-	-	-	2,821
Other	-	-	-	-	9,000
Support services:					
Pupil	-	-	-	848	147,784
Instructional staff	110	4,630	-	-	145,819
Administration	-	-	-	-	56,754
Operations and maintenance	23,124	-	2,948	-	65,115
Pupil transportation	-	-	-	-	7,470
Central	-	-	-	-	800,000
Operation of non-instructional services:					
Food service operations	-	-	2,055,368	-	2,055,368
Other non-instructional services	4	2,223	-	239,117	287,105
Extracurricular activities	-	-	-	-	934,206
Facilities acquisition and construction	89,214	-	-	-	284,587
Total expenditures	112,452	6,853	2,058,316	239,965	8,501,797
Excess (deficiency) of revenues over (under) expenditures	387,662	-	444,301	(615)	737,184
Other financing sources:					
Proceeds from sale of assets	-	-	3,133	-	3,133
Transfers in	-	-	-	-	74,000
Total other financing sources	-	-	3,133	-	77,133
Net change in fund balances	387,662	-	447,434	(615)	814,317
Fund balances (deficits) at beginning of year	-	-	1,360,414	14,714	1,989,271
Fund balances (deficits) at end of year	$ 387,662	$ -	$ 1,807,848	$ 14,099	$ 2,803,588

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Grants			
Total Revenues and Other Financing Sources	$ 136,933	$ 191,217	$ 54,284
Total Expenditures and Other Financing Uses	281,227	167,916	113,311
Net Change in Fund Balance	(144,294)	23,301	167,595
Fund Balance, July 1	138,117	138,117	-
Prior Year Encumbrances Appropriated	6,177	6,177	-
Fund Balance, June 30	$ -	$ 167,595	$ 167,595
Student Activities			
Total Revenues and Other Financing Sources	$ 90,000	$ 94,118	$ 4,118
Total Expenditures and Other Financing Uses	150,800	116,655	34,145
Net Change in Fund Balance	(60,800)	(22,537)	38,263
Fund Balance, July 1	82,177	82,177	-
Prior Year Encumbrances Appropriated	800	800	-
Fund Balance, June 30	$ 22,177	$ 60,440	$ 38,263
Athletics and Music			
Total Revenues and Other Financing Sources	$ 705,000	$ 802,785	$ 97,785
Total Expenditures and Other Financing Uses	1,070,399	822,627	247,772
Net Change in Fund Balance	(365,399)	(19,842)	345,557
Fund Balance, July 1	388,171	388,171	-
Prior Year Encumbrances Appropriated	2,607	2,607	-
Fund Balance, June 30	$ 25,379	$ 370,936	$ 345,557

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Auxiliary Services			
Total Revenues and Other Financing Sources	$ 2,100,000	$ 1,341,953	$ (758,047)
Total Expenditures and Other Financing Uses	1,445,674	1,445,673	1
Net Change in Fund Balance	654,326	(103,720)	(758,046)
Fund Balance, July 1	93,327	93,327	-
Prior Year Encumbrances Appropriated	10,393	10,393	-
Fund Balance, June 30	$ 758,046	$ -	$ (758,046)
Data Communications			
Total Revenues and Other Financing Sources	$ 10,800	$ 9,000	$ (1,800)
Total Expenditures and Other Financing Uses	9,000	9,000	-
Net Change in Fund Balance	1,800	-	(1,800)
Fund Balance, July 1	-	-	-
Fund Balance, June 30	$ 1,800	$ -	$ (1,800)
Other State Grants			
Total Revenues and Other Financing Sources	$ 110,000	$ 813	$ (109,187)
Total Expenditures and Other Financing Uses	25,537	25,536	1
Net Change in Fund Balance	84,463	(24,723)	(109,186)
Fund Balance, July 1	10,394	10,394	-
Prior Year Encumbrances Appropriated	14,329	14,329	-
Fund Balance, June 30	$ 109,186	$ -	$ (109,186)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Elementary & Secondary School Emergency Relief			
Total Revenues and Other Financing Sources	$ 3,351,649	$ 2,476,619	$ (875,030)
Total Expenditures and Other Financing Uses	1,885,353	1,885,352	1
Net Change in Fund Balance	1,466,296	591,267	(875,029)
Fund Balance (Deficit), July 1	(851,649)	(851,649)	-
Prior Year Encumbrances Appropriated	198,297	198,297	-
Fund Balance (Deficit), June 30	$ 812,944	$ (62,085)	$ (875,029)
IDEA Part B			
Total Revenues and Other Financing Sources	$ 1,821,169	$ 1,619,668	$ (201,501)
Total Expenditures and Other Financing Uses	1,473,691	1,473,691	-
Net Change in Fund Balance	347,478	145,977	(201,501)
Fund Balance (Deficit), July 1	(221,168)	(221,168)	-
Prior Year Encumbrances Appropriated	49,944	49,944	-
Fund Balance (Deficit), June 30	$ 176,254	$ (25,247)	$ (201,501)
Title III			
Total Revenues and Other Financing Sources	$ 22,391	$ 16,648	$ (5,743)
Total Expenditures and Other Financing Uses	15,231	15,232	(1)
Net Change in Fund Balance	7,160	1,416	(5,744)
Fund Balance (Deficit), July 1	(2,391)	(2,391)	-
Fund Balance (Deficit), June 30	$ 4,769	$ (975)	$ (5,744)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Title I			
Total Revenues and Other Financing Sources	$ 184,966	$ 156,599	$ (28,367)
Total Expenditures and Other Financing Uses	143,864	141,215	2,649
Net Change in Fund Balance	41,102	15,384	(25,718)
Fund Balance (Deficit), July 1	(24,967)	(24,967)	-
Prior Year Encumbrances Appropriated	5,852	5,852	-
Fund Balance (Deficit), June 30	$ 21,987	$ (3,731)	$ (25,718)
EHA Preschool Grant			
Total Revenues and Other Financing Sources	$ 51,062	$ 42,092	$ (8,970)
Total Expenditures and Other Financing Uses	40,031	40,030	1
Net Change in Fund Balance	11,031	2,062	(8,969)
Fund Balance (Deficit), July 1	(2,062)	(2,062)	-
Fund Balance, June 30	$ 8,969	$ -	$ (8,969)
Supporting Effective Instruction			
Total Revenues and Other Financing Sources	$ 201,939	$ 94,728	$ (107,211)
Total Expenditures and Other Financing Uses	138,183	138,182	1
Net Change in Fund Balance	63,756	(43,454)	(107,210)
Fund Balance (Deficit), July 1	(9,939)	(9,939)	-
Prior Year Encumbrances Appropriated	6,019	6,019	-
Fund Balance (Deficit), June 30	$ 59,836	$ (47,374)	$ (107,210)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Federal Grants			
Total Revenues and Other Financing Sources	$ 512,700	$ 501,955	$ (10,745)
Total Expenditures and Other Financing Uses	250,879	141,589	109,290
Net Change in Fund Balance	261,821	360,366	98,545
Fund Balance (Deficit), July 1	(2,720)	(2,720)	-
Prior Year Encumbrances Appropriated	879	879	-
Fund Balance, June 30	$ 259,980	$ 358,525	$ 98,545
Student Support and Academic Enrichment			
Total Revenues and Other Financing Sources	$ 16,332	$ 6,853	$ (9,479)
Total Expenditures and Other Financing Uses	7,148	7,148	-
Net Change in Fund Balance	9,184	(295)	(9,479)
Fund Balance (Deficit), July 1	(1,332)	(1,332)	-
Prior Year Encumbrances Appropriated	1,332	1,332	-
Fund Balance (Deficit), June 30	$ 9,184	$ (295)	$ (9,479)
Food Service			
Total Revenues and Other Financing Sources	$ 1,770,000	$ 2,367,893	$ 597,893
Total Expenditures and Other Financing Uses	2,018,210	1,917,488	100,722
Net Change in Fund Balance	(248,210)	450,405	698,615
Fund Balance, July 1	1,437,737	1,437,737	-
Prior Year Encumbrances Appropriated	28,460	28,460	-
Fund Balance, June 30	$ 1,217,987	$ 1,916,602	$ 698,615

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Special Revenue			
Total Revenues and Other Financing Sources	$ 238,101	$ 239,350	$ 1,249
Total Expenditures and Other Financing Uses	252,815	238,948	13,867
Net Change in Fund Balance	(14,714)	402	15,116
Fund Balance, July 1	14,714	14,714	-
Fund Balance, June 30	$ -	$ 15,116	$ 15,116
Debt Service			
Total Revenues and Other Financing Sources	$ 6,397,456	$ 6,191,847	$ (205,609)
Total Expenditures and Other Financing Uses	6,000,000	5,925,847	74,153
Net Change in Fund Balance	397,456	266,000	(131,456)
Fund Balance, July 1	3,926,946	3,926,946	-
Fund Balance, June 30	$ 4,324,402	$ 4,192,946	$ (131,456)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Building	Permanent Improvement	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments	$ 6,947,939	$ 2,509,475	$ 9,457,414
Receivables:			
Property taxes	-	1,428,303	1,428,303
Total assets	$ 6,947,939	$ 3,937,778	$ 10,885,717
Liabilities:			
Accounts payable	$ 7,912	$ -	$ 7,912
Contracts payable	470,290	-	470,290
Pension obligation payable	-	248	248
Total liabilities	478,202	248	478,450
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	-	1,063,734	1,063,734
Delinquent property tax revenue not available	-	21,528	21,528
Total deferred inflows of resources	-	1,085,262	1,085,262
Fund balances:			
Restricted:			
Capital improvements	2,374,314	6,947,691	9,322,005
Total liabilities, deferred inflows of resources and fund balances	$ 2,852,516	$ 8,033,201	$ 10,885,717

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Building	Permanent Improvement	Total Nonmajor Capital Projects Funds
Revenues:			
Property taxes	$ -	$ 1,619,112	$ 1,619,112
Intergovernmental	2,204,733	162,395	2,367,128
Investment earnings	5,769	-	5,769
Contributions and donations	-	711,000	711,000
Miscellaneous	51,540	71,456	122,996
Total revenues	2,262,042	2,563,963	4,826,005
Expenditures:			
Current:			
Instruction:			
Regular	-	205,077	205,077
Support services:			
Fiscal	-	29,126	29,126
Pupil transportation	-	186,895	186,895
Facilities acquisition and construction	1,988,250	1,231,347	3,219,597
Debt service:			
Principal retirement	-	78,396	78,396
Interest and fiscal charges	-	2,428	2,428
Debt issuance costs	76,500	-	76,500
Total expenditures	2,064,750	1,733,269	3,798,019
Excess of revenues over expenditures	197,292	830,694	1,027,986
Other financing (uses):			
Issuance of notes	5,300,000	-	5,300,000
Transfers (out)	(1,000,000)	-	(1,000,000)
Total other financing (uses)	4,300,000	-	4,300,000
Net change in fund balances	4,497,292	830,694	5,327,986
Fund balances at beginning of year	2,450,399	1,543,620	3,994,019
Fund balances at end of year	$ 6,947,691	$ 2,374,314	$ 9,322,005

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Building			
Total Revenues and Other Financing Sources	$ 2,490,000	$ 8,235,542	$ 5,745,542
Total Expenditures and Other Financing Uses	6,071,525	5,597,404	474,121
Net Change in Fund Balance	(3,581,525)	2,638,138	6,219,663
Fund Balance, July 1	1,860,156	1,860,156	-
Prior Year Encumbrances Appropriated	2,371,525	2,371,525	-
Fund Balance, June 30	$ 650,156	$ 6,869,819	$ 6,219,663
Permanent Improvement			
Total Revenues and Other Financing Sources	$ 1,796,965	$ 2,513,196	$ 716,231
Total Expenditures and Other Financing Uses	2,949,821	2,492,011	457,810
Net Change in Fund Balance	(1,152,856)	21,185	1,174,041
Fund Balance, July 1	630,780	630,780	-
Prior Year Encumbrances Appropriated	802,264	802,264	-
Fund Balance, June 30	$ 280,188	$ 1,454,229	$ 1,174,041

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

The enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is approriate for capital maintenance, public policy, management control, accountability, or other purposes. The District's major enterprise fund is the community education fund which accounts for all the financial activities related to the community education and recreation center operations.

INTERNAL SERVICE FUND

The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, on a cost-reimbursement basis. The internal service fund accounts for operations of the District's self-insurance program for medical and dental benefits.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Community Education			
Total Revenues	$ 1,400,000	$ 2,002,829	$ 602,829
Total Expenses	2,724,498	2,266,172	458,326
Net Change in Fund Balance	(1,324,498)	(263,343)	1,061,155
Fund Balance, July 1	1,131,721	1,131,721	-
Prior Year Encumbrances Appropriated	224,498	224,498	-
Fund Balance, June 30	$ 31,721	$ 1,092,876	$ 1,061,155
Self-Insurance			
Total Revenues	$ 14,571,834	$ 15,190,406	$ 618,572
Total Expenses	15,458,080	15,075,029	383,051
Net Change in Fund Balance	(886,246)	115,377	1,001,623
Fund Balance, July 1	1,328,166	1,328,166	-
Prior Year Encumbrances Appropriated	38,080	38,080	-
Fund Balance, June 30	$ 480,000	$ 1,481,623	$ 1,001,623

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to account for assets held by the District on behalf of individuals, private organizations, or other governments, and therefore are not available to support the District's own operations.

CUSTODIAL FUND

Six District Educational Compact - To account for the activity of the Six District Educational Compact for which the District is the fiscal agent.

STATISTICAL SECTION

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HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATISTICAL SECTION

This part of the Hudson City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends **S2 - S13**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity **S14 - S19**
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity **S20 - S23**
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information **S24 - S25**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information **S26 - S33**
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Sources are noted on the individual schedules.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020	2019 (c)
Governmental activities					
Net investment in capital assets	$ 40,595,746	$ 40,514,922	$ 43,823,286	$ 43,815,206	$ 41,081,236
Restricted	15,033,923	11,788,564	11,393,039	12,357,052	11,518,481
Unrestricted (deficit)	(42,853,059)	(47,491,176)	(50,224,607)	(49,063,660)	(44,590,023)
Total governmental activities net position	$ 12,776,610	$ 4,812,310	$ 4,991,718	$ 7,108,598	$ 8,009,694
Business-type activities					
Unrestricted (deficit)	$ 119,670	$ 162,498	$ (214,172)	$ (473,816)	$ (45,027)
Total business-type activities net position	$ 119,670	$ 162,498	$ (214,172)	$ (473,816)	$ (45,027)
Primary government					
Net investment in capital assets	$ 40,595,746	$ 40,514,922	$ 43,823,286	$ 43,815,206	$ 41,081,236
Restricted	15,033,923	11,788,564	11,393,039	12,357,052	11,518,481
Unrestricted (deficit)	(42,733,389)	(47,328,678)	(50,438,779)	(49,537,476)	(44,635,050)
Total primary government net position	$ 12,896,280	$ 4,974,808	$ 4,777,546	$ 6,634,782	$ 7,964,667

Source: School District financial records.

(a) The District implemented GASB Statement No. 68 in 2015 which had the effect of restating 2014 net position.

(b) The District implemented GASB Statement No. 75 in 2018 which had the effect of restating 2017 net position.

(c) The District implemented GASB Statement No. 84 in 2020 which had the effect of restating 2019 net position.

2018	2017 (b)	2016	2015	2014 (a)
$ 39,999,721	$ 40,576,526	$ 39,524,689	$ 38,781,982	$ 36,460,488
7,341,961	1,694,486	2,167,394	2,510,271	3,842,694
(51,832,286)	(83,956,110)	(57,583,840)	(62,406,391)	(69,963,967)
$ (4,490,604)	$ (41,685,098)	$ (15,891,757)	$ (21,114,138)	$ (29,660,785)
$ (8,623)	$ (270,350)	$ 114,896	$ 17,732	$ (87,398)
$ (8,623)	$ (270,350)	$ 114,896	$ 17,732	$ (87,398)
$ 39,999,721	$ 40,576,526	$ 39,524,689	$ 38,781,982	$ 36,460,488
7,341,961	1,694,486	2,167,394	2,510,271	3,842,694
(51,840,909)	(84,226,460)	(57,468,944)	(62,388,659)	(70,051,365)
$ (4,499,227)	$ (41,955,448)	$ (15,776,861)	$ (21,096,406)	$ (29,748,183)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020	2019
Expenses					
Governmental activities:					
Instruction:					
Regular	$ 38,010,121	$ 35,816,224	$ 34,220,892	$ 34,009,196	$ 27,725,631
Special	12,264,486	10,372,613	10,973,538	11,860,105	8,549,067
Vocational	396,159	372,102	282,715	356,923	329,507
Other	1,384,430	1,079,359	1,343,642	1,427,557	1,605,879
Support services:					
Pupil	6,204,852	5,407,605	6,109,168	5,338,291	4,643,823
Instructional staff	2,718,103	2,321,176	2,755,044	2,514,585	2,145,863
Board of education	57,161	56,074	49,334	83,586	56,997
Administration	5,151,778	4,498,841	4,846,185	4,734,030	3,530,486
Fiscal	2,109,988	1,825,526	2,131,737	1,616,905	1,977,521
Business	556,594	539,384	735,981	710,630	525,670
Operations and maintenance	6,074,073	5,886,401	9,576,045	5,783,679	5,340,037
Pupil transportation	5,329,823	5,125,606	4,701,749	4,140,849	4,409,145
Central	1,671,913	797,782	727,955	562,919	517,371
Operation of non-instructional services:					
Food service operations	2,117,611	1,889,701	1,463,726	1,505,827	1,464,407
Other non-instructional services	289,576	283,326	243,911	274,182	62,834
Extracurricular activities	3,600,592	4,595,518	2,329,250	2,180,885	2,024,703
Interest on long-term debt	3,352,754	3,423,921	3,464,820	3,558,414	3,700,893
Total governmental activities expenses	91,290,014	84,291,159	85,955,692	80,658,563	68,609,834
Business-type activities:					
Community education	1,425,389	1,307,380	1,040,369	1,242,780	1,522,741
Total business-type activities expenses	1,425,389	1,307,380	1,040,369	1,242,780	1,522,741
Total primary government expenses	$ 92,715,403	$ 85,598,539	$ 86,996,061	$ 81,901,343	$ 70,132,575

2018	2017	2016	2015	2014
$ 14,523,016	$ 30,223,535	$ 28,113,267	$ 27,692,555	$ 28,005,316
4,090,861	10,092,995	8,951,438	8,739,661	8,800,972
181,299	369,409	283,061	288,761	290,652
1,578,566	1,261,399	1,285,813	1,290,104	1,283,858
2,678,981	4,996,693	4,853,110	4,516,471	4,681,004
1,086,954	2,293,445	2,224,870	1,995,041	1,772,770
145,139	78,835	38,520	70,122	41,731
1,111,112	4,414,001	3,927,626	3,789,299	4,059,710
931,623	1,411,686	1,410,351	1,198,288	1,627,077
219,975	663,107	622,463	593,218	320,399
3,861,761	5,786,325	5,382,831	5,363,794	5,076,162
4,200,710	3,890,981	3,786,842	3,898,262	3,281,271
313,408	568,679	560,192	565,003	642,675
1,008,011	1,615,311	1,417,360	1,374,636	1,423,600
39,015	50,180	29,891	18,097	19,033
1,250,184	1,978,779	1,839,597	1,707,800	1,672,664
2,257,648	766,121	797,635	842,430	885,321
39,478,263	70,461,481	65,524,867	63,943,542	63,884,215
1,318,933	1,467,886	1,366,536	1,315,393	1,345,070
1,318,933	1,467,886	1,366,536	1,315,393	1,345,070
$ 40,797,196	$ 71,929,367	$ 66,891,403	$ 65,258,935	$ 65,229,285

- - Continued

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	**2023**	**2022**	**2021**	**2020**	**2019**
Governmental activities:					
Charges for services:					
Instruction:					
Regular	$ 1,339,723	$ 1,450,731	$ 1,279,624	$ 1,178,066	$ 1,270,368
Special	217,989	177,682	79,254	135,903	72,133
Vocational	1,294	-	7,848	5,268	-
Other	7,411	5,988	8,688	8,077	8,606
Support services:					
Pupil	146,199	166,666	128,117	133,129	134,784
Instructional staff	3,926	176	3,315	8,034	7,643
Administration	16,521	1,902	1,241	1,837	-
Operations and maintenance	37,347	8,927	14,753	18,951	14,710
Operation of non-instructional services:					
Food service operations	1,779,005	674,680	409,292	1,116,264	1,362,879
Other non-instructional services	1,455	121	1,287	4,109	15,149
Extracurricular activities	1,029,469	989,580	579,640	533,386	720,255
Operating grants and contributions:					
Instruction:					
Regular	2,237,448	2,607,696	2,290,782	1,843,130	1,750,299
Special	2,404,827	2,495,303	2,712,533	2,150,005	2,081,087
Vocational	21,227	19,127	30,435	30,435	30,590
Other	9,000	9,000	9,000	10,800	10,800
Support services:					
Pupil	495,302	557,545	509,215	919,916	939,506
Instructional staff	139,897	85,910	108,769	103,164	154,185
Administration	75,369	52,490	58,543	135,828	178,841
Operations and maintenance	544,825	153,067	375,266	45,041	-
Pupil transportation	302,925	159,020	60,966	15,350	-
Central	871,999	-	-	-	-
Operation of non-instructional services:					
Food service operations	723,612	2,385,998	969,135	250,449	270,780
Other non-instructional services	286,974	279,230	255,495	259,427	48,941
Extracurricular activities	104,743	72,682	166,797	79,986	154,007
Capital grants and contributions:					
Instruction:					
Regular	6,933	5,514	4,317	4,130	7,488
Support services:					
Pupil transportation	-	-	20,599	-	-
Extracurricular activities	775,523	19,343	24,200	25,800	26,700
Total governmental program revenues	13,580,943	12,378,378	10,109,111	9,016,485	9,259,751
Business-type activities:					
Charges for services	1,599,379	1,547,845	985,309	1,593,018	1,492,116
Total business-type activities program revenues	1,599,379	1,547,845	985,309	1,593,018	1,492,116
Total primary government program revenue	$ 15,180,322	$ 13,926,223	$ 11,094,420	$ 10,609,503	$ 10,751,867
Net (Expense)/Revenue					
Governmental activities	$ (77,709,071)	$ (71,912,781)	$ (75,846,581)	$ (71,642,078)	$ (59,350,083)
Business-type activities	173,990	240,465	(55,060)	350,238	(30,625)
Total primary government net expense	$ (77,535,081)	$ (71,672,316)	$ (75,901,641)	$ (71,291,840)	$ (59,380,708)

2018	2017	2016	2015	2014
$ 1,177,962	$ 998,820	$ 1,026,119	$ 882,386	$ 888,626
50,544	33,694	68,808	60,560	141,314
-	6,095	10,466	1,007	5,025
12,258	8,207	13,509	6,697	9,339
207,697	248,149	188,906	183,095	217,724
13,244	11,872	31,707	24,205	43,048
-	-	-	-	-
17,703	22,785	9,640	10,052	3,960
1,295,372	1,262,575	1,206,111	1,201,321	1,203,971
3,650	3,258	4,939	4,573	6,582
797,509	698,237	688,980	713,817	713,453
1,736,959	2,048,298	1,972,255	2,093,950	1,838,264
2,133,439	1,896,391	2,010,468	1,931,359	2,406,823
29,481	29,713	31,033	34,774	42,573
10,800	10,800	10,800	10,800	10,800
786,571	920,434	815,137	673,613	820,753
64,770	51,206	98,975	99,498	99,534
187,698	181,419	181,611	168,967	173,782
2,961	-	-	40,369	-
-	-	-	-	-
-	610	-	-	-
249,998	247,247	226,392	226,121	186,608
29,045	23,154	12,534	5,953	4,443
72,836	31,911	33,169	39,188	20,828
6,867	7,884	8,445	46,474	36,645
-	-	-	-	-
67,078	62,721	28,250	208,617	1,168,836
8,954,442	8,805,480	8,678,254	8,667,396	10,042,931
1,443,154	1,415,488	1,369,879	1,402,122	1,291,244
1,443,154	1,415,488	1,369,879	1,402,122	1,291,244
$ 10,397,596	$ 10,220,968	$ 10,048,133	$ 10,069,518	$ 11,334,175
$ (30,523,821)	$ (61,656,001)	$ (56,846,613)	$ (55,276,146)	$ (53,841,284)
124,221	(52,398)	3,343	86,729	(53,826)
$ (30,399,600)	$ (61,708,399)	$ (56,843,270)	$ (55,189,417)	$ (53,895,110)

- - Continued

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CHANGES IN NET POSITION - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

General Revenues and Other Changes in Net Position	**2023**	**2022**	**2021**	**2020**	**2019**
Governmental activities:					
Property taxes levied for:					
General purposes	$ 58,083,754	$ 47,389,302	$ 49,255,865	$ 44,805,866	$ 43,943,803
Debt service	5,858,655	4,918,450	5,014,954	4,400,343	4,722,713
Capital outlay	1,618,261	1,329,479	1,390,404	1,272,326	1,260,795
Payments in lieu of taxes	508,343	401,895	423,363	477,283	379,593
Grants and entitlements not restricted to specific programs	18,004,382	17,681,115	17,174,728	16,577,309	16,757,875
Investment earnings	1,076,656	(465,074)	152,157	2,460,174	3,404,435
Gain on sale of capital assets	-	-	-	-	489,929
Miscellaneous	306,502	478,206	318,230	455,810	569,166
Transfers	216,818	-	-	291,871	208,129
Total governmental activities	85,673,371	71,733,373	73,729,701	70,740,982	71,736,438
Business-type activities:					
Grants not restricted to specific programs	-	136,205	126,737	120,553	101,448
Transfers	(216,818)	-	-	(291,871)	(208,129)
Total business-type activities	(216,818)	136,205	126,737	(171,318)	(106,681)
Total primary government	$ 85,456,553	$ 71,869,578	$ 73,856,438	$ 70,569,664	$ 71,629,757
Change in Net Position					
Governmental activities	$ 7,964,300	$ (179,408)	$ (2,116,880)	$ (901,096)	$ 12,386,355
Business-type activities	(42,828)	376,670	71,677	178,920	(137,306)
Total primary government	$ 7,921,472	$ 197,262	$ (2,045,203)	$ (722,176)	$ 12,249,049

Source: School District financial records.

2018	2017	2016	2015	2014
$ 44,520,840	$ 37,455,272	$ 41,995,699	$ 42,824,517	$ 44,934,135
3,456,419	-	-	139,736	1,237,233
1,288,278	1,096,477	1,225,365	1,266,821	1,319,845
658,751	566,274	472,588	984,788	515,367
16,768,399	17,952,080	18,019,970	18,210,293	17,664,962
634,979	332,259	30,630	125,658	62,124
-	-	-	-	-
390,649	421,053	324,742	270,980	194,817
-	-	-	-	-
67,718,315	57,823,415	62,068,994	63,822,793	65,928,483
88,544	56,635	48,212	50,644	49,354
-	-	-	-	-
88,544	56,635	48,212	50,644	49,354
$ 67,806,859	$ 57,880,050	$ 62,117,206	$ 63,873,437	$ 65,977,837
$ 37,194,494	$ (3,832,586)	$ 5,222,381	$ 8,546,647	$ 12,087,199
212,765	4,237	51,555	137,373	(4,472)
$ 37,407,259	$ (3,828,349)	$ 5,273,936	$ 8,684,020	$ 12,082,727

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020	2019
General Fund:					
Nonspendable	$ 71,483	$ 131,509	$ 124,055	$ 335,620	$ 111,419
Assigned	1,421,023	1,855,020	2,112,847	1,550,195	1,421,923
Unassigned	31,210,163	25,490,602	29,092,684	28,300,131	30,640,854
Total general fund	$ 32,702,669	$ 27,477,131	$ 31,329,586	$ 30,185,946	$ 32,174,196
All Other Governmental Funds:					
Nonspendable	$ 5,413	$ 5,953	$ 3,217	$ 3,288	$ 3,055
Restricted	17,609,108	10,420,367	17,390,047	46,280,944	79,972,447
Unassigned (deficit)	(148,289)	(128,861)	(120,510)	(50,301)	(92,368)
Total all other governmental funds	$ 17,466,232	$ 10,297,459	$ 17,272,754	$ 46,233,931	$ 79,883,134

Source: School District financial records.

2018	2017	2016	2015	2014
$ 134,433	$ 135,143	$ 41,658	$ 43,680	$ 41,583
1,304,837	1,058,137	949,697	1,344,677	860,100
32,080,771	29,656,843	30,597,837	24,668,107	18,603,913
$ 33,520,041	$ 30,850,123	$ 31,589,192	$ 26,056,464	$ 19,505,596
$ 3,245	$ 5,285	$ 2,076	$ 2,229	$ 11,322
89,175,131	1,603,298	2,052,730	2,544,142	3,885,169
(99,631)	(92,868)	(112,889)	(25,386)	(15,543)
$ 89,078,745	$ 1,515,715	$ 1,941,917	$ 2,520,985	$ 3,880,948

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2023	2022	2021	2020	2019
Revenues					
Property taxes	$ 65,591,669	$ 53,659,020	$ 55,202,881	$ 50,284,775	$ 50,275,952
Intergovernmental	25,555,271	26,216,090	24,329,911	22,034,637	22,101,305
Investment earnings	1,068,757	(485,829)	291,407	2,989,533	3,150,382
Tuition and fees	1,596,574	1,705,435	1,466,238	1,460,461	1,310,773
Extracurricular	1,151,855	1,081,633	624,266	543,167	912,605
Charges for services	1,779,573	674,774	412,895	1,116,601	1,363,824
Payment in lieu of taxes	508,343	401,895	423,363	477,283	379,593
Other	1,726,035	872,694	750,253	873,800	861,830
Total revenues	98,978,077	84,125,712	83,501,214	79,780,257	80,356,264
Expenditures					
Current:					
Instruction:					
Regular	34,018,623	33,115,193	30,858,663	31,473,741	30,549,019
Special	12,277,525	11,113,813	10,379,324	11,430,822	9,997,656
Vocational	295,158	256,122	319,775	325,272	313,426
Other	1,384,430	1,079,359	1,343,642	1,427,557	1,605,879
Support services:					
Pupil	6,210,884	5,799,344	5,834,328	5,125,258	5,216,987
Instructional staff	2,523,201	2,345,318	2,521,066	2,360,094	2,379,582
Board of education	57,320	57,318	48,856	83,115	58,316
Administration	5,053,183	5,034,912	4,478,217	4,464,732	4,356,204
Fiscal	2,095,500	1,897,812	2,077,166	1,592,366	2,105,964
Business	562,596	618,588	679,000	655,233	624,717
Operations and maintenance	5,905,547	5,977,966	5,746,465	5,103,003	5,175,003
Pupil transportation	5,072,093	4,826,680	4,529,697	3,959,511	4,374,324
Central	1,686,447	857,333	694,334	544,296	583,691
Operation of non-instructional services:					
Food service operations	2,055,368	1,891,345	1,401,120	1,501,995	1,566,123
Other non-instructional services	289,576	283,326	243,911	274,182	62,834
Extracurricular activities	2,371,610	2,107,380	1,760,237	1,788,809	1,894,574
Facilities acquisition and construction	3,504,184	11,505,241	31,519,167	37,265,483	11,438,285
Capital outlay	-	1,655,850	-	-	-
Debt service:					
Principal retirement	3,023,355	2,766,377	3,372,569	3,340,786	5,152,733
Interest and fiscal charges	3,433,423	3,182,397	3,518,478	3,611,598	4,498,063
Debt issuance costs	76,500	234,865	-	-	-
Payment to refunded debt escrow agent	-	755,430	-	-	-
Total expenditures	91,896,523	97,361,969	111,326,015	116,327,853	91,953,380
Excess of revenues over (under) expenditures	7,081,554	(13,236,257)	(27,824,801)	(36,547,596)	(11,597,116)
Other Financing Sources (Uses)					
Transfers in	1,074,000	1,880,000	1,877,100	1,603,800	1,820,000
Transfers (out)	(1,074,000)	(1,880,000)	(1,877,100)	(1,603,800)	(1,820,000)
Proceeds from sale of assets	12,757	43,427	7,264	4,033	506,709
Inception of lease	-	1,655,850	-	792,167	548,951
Issuance of notes	5,300,000	474,365	-	-	-
Premium on debt issuance	-	1,128,299	-	-	-
Issuance of bonds	-	-	-	-	-
Payment to refunded debt escrow agent	-	(12,953,434)	-	-	-
Issuance of certificates of participation	-	12,060,000	-	-	-
Total other financing sources (uses)	5,312,757	2,408,507	7,264	796,200	1,055,660
Net change in fund balances	$ 12,394,311	$ (10,827,750)	$ (27,817,537)	$ (35,751,396)	$ (10,541,456)
Debt service as a percentage of noncapital expenditures	7.21%	6.83%	8.30%	8.80%	11.99%

Source: School District financial records.

2018	2017	2016	2015	2014
$ 49,466,124	$ 38,638,804	$ 43,368,939	$ 44,766,636	$ 47,389,754
21,898,608	23,286,716	23,228,844	23,395,233	23,140,268
284,914	309,301	141,723	38,680	57,818
1,335,055	1,153,015	1,156,500	1,002,671	1,147,244
929,092	857,199	846,655	848,935	849,924
1,296,826	1,264,343	1,208,133	1,203,390	1,206,450
658,751	566,274	472,588	984,788	515,367
648,354	628,552	480,490	681,522	1,531,441
76,517,724	66,704,204	70,903,872	72,921,855	75,838,266
29,518,260	27,041,736	26,634,674	27,131,221	27,194,680
9,733,614	9,320,195	8,766,022	8,943,676	8,615,372
296,134	311,872	290,227	269,533	254,736
1,578,566	1,261,399	1,285,813	1,290,104	1,283,858
5,059,803	4,933,413	4,826,657	4,567,464	4,706,665
2,212,400	2,100,786	2,171,807	1,988,037	1,846,576
150,458	78,386	38,630	70,249	41,731
4,340,166	4,028,833	3,867,128	3,868,836	4,020,237
1,460,354	1,361,659	1,410,151	1,206,874	1,619,261
653,470	613,035	623,359	591,359	559,490
5,206,194	5,095,194	4,971,577	4,937,486	4,882,939
4,195,685	4,027,925	3,708,416	3,915,887	3,233,565
596,109	531,625	459,386	453,604	525,875
1,475,061	1,537,420	1,397,609	1,388,802	1,365,327
39,015	37,412	18,080	11,306	17,864
1,902,859	1,652,700	1,567,433	1,479,062	1,458,495
1,780,665	2,095,139	2,025,949	3,367,929	2,312,691
-	-	-	-	-
1,187,129	1,154,911	1,179,033	1,495,843	3,425,296
681,304	693,924	725,382	770,613	816,437
543,833	-	-	-	-
-	-	-	-	-
72,611,079	67,877,564	65,967,333	67,747,885	68,181,095
3,906,645	(1,173,360)	4,936,539	5,173,970	7,657,171
1,784,000	1,796,000	1,781,000	1,645,000	1,006,000
(1,784,000)	(1,796,000)	(1,781,000)	(1,645,000)	(1,006,000)
25,019	8,089	17,121	16,935	2,686
1,190,970	-	-	-	918,391
-	-	-	-	-
3,560,314	-	-	-	-
81,550,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
86,326,303	8,089	17,121	16,935	921,077
$ 90,232,948	$ (1,165,271)	$ 4,953,660	$ 5,190,905	$ 8,578,248
2.67%	2.80%	3.04%	3.51%	6.26%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

	Real Property (a)		Public Utility (b)		Total	
Collection Year	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**
2023	$ 1,286,430,230	$ 3,675,514,943	$ 32,237,760	$ 92,107,886	$ 1,318,667,990	$ 3,767,622,829
2022	1,266,660,770	3,619,030,771	25,638,730	73,253,514	1,292,299,500	3,692,284,286
2021	1,257,545,040	3,592,985,829	25,271,550	72,204,429	1,282,816,590	3,665,190,257
2020	1,120,929,440	3,202,655,543	21,466,960	61,334,171	1,142,396,400	3,263,989,714
2019	1,089,291,000	3,112,260,000	20,598,140	58,851,829	1,109,889,140	3,171,111,829
2018	1,077,345,980	3,078,131,371	13,613,760	38,896,457	1,090,959,740	3,117,027,829
2017	948,759,150	2,710,740,429	8,461,030	24,174,371	957,220,180	2,734,914,800
2016	928,703,860	2,653,439,600	7,238,320	20,680,914	935,942,180	2,674,120,514
2015	919,449,390	2,626,998,257	7,450,040	21,285,829	926,899,430	2,648,284,086
2014	890,931,340	2,545,518,114	6,390,820	18,259,486	897,322,160	2,563,777,600

Source: Summit County Fiscal Officer

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) Assumes public utilities are assessed at true value which is 35%.

(c) Rate per $1,000 of assessed value.

Total Direct Tax Rate (c)	Assessed Value as a Percentage of Estimated Actual Value
$ 92.38	35.00%
92.38	35.00%
92.43	35.00%
92.48	35.00%
92.53	35.00%
93.40	35.00%
88.43	35.00%
88.43	35.00%
88.43	35.00%
89.01	35.00%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER $1,000 OF ASSESSED VALUE)
LAST TEN YEARS

		Overlapping Rates				Direct Rates					
Tax Year/ Collection Year	**Government**	**School**	**County**	**City**	**Total**	**School Levy**	**County Levy**	**City/ Village Township**	**Valley Fire District**	**Union Cem. Assoc. of Boston Twp.**	**Total**
2022/2023	Boston Township	$ 3.95	$ 0.63	$ -	$ 4.58	$ 92.38	$ 16.10	$ 7.98	$ 8.80	$ 1.00	$ 126.26
	Boston Heights Village	3.95	0.63	-	4.58	92.38	16.10	6.10	-	-	114.58
	Hudson City	3.95	0.63	-	4.58	92.38	16.10	6.47	-	-	114.95
	Cuyahoga Falls City	3.95	0.63	-	4.58	92.38	16.10	11.00	-	-	119.48
2021/2022	Boston Township	3.95	0.57	-	4.52	92.38	16.10	7.98	8.80	1.00	126.26
	Boston Heights Village	3.95	0.57	-	4.52	92.38	16.10	6.10	-	-	114.58
	Hudson City	3.95	0.57	-	4.52	92.38	16.10	6.47	-	-	114.95
	Cuyahoga Falls City	3.95	0.57	-	4.52	92.38	16.10	11.00	-	-	119.48
2020/2021	Boston Township	4.23	0.66	-	4.89	92.43	15.16	7.98	8.80	1.00	125.37
	Boston Heights Village	4.23	0.66	-	4.89	92.43	15.16	6.10	-	-	113.69
	Hudson City	4.23	0.66	-	4.89	92.43	15.16	6.47	-	-	114.06
	Cuyahoga Falls City	4.23	0.66	-	4.89	92.43	15.16	11.00	-	-	118.59
2019/2020	Boston Township	4.05	0.66	-	4.71	92.48	15.16	7.98	8.80	1.00	125.42
	Boston Heights Village	4.05	0.66	-	4.71	92.48	15.16	6.10	-	-	113.74
	Hudson City	4.05	0.66	-	4.71	92.48	15.16	6.47	-	-	114.11
	Cuyahoga Falls City	4.05	0.66	-	4.71	92.48	15.16	11.00	-	-	118.64
2018/2019	Boston Township	4.97	0.74	-	5.71	92.53	14.16	7.98	8.80	1.00	124.47
	Boston Heights Village	4.97	0.74	-	5.71	92.53	14.16	6.10	-	-	112.79
	Hudson City	4.97	0.74	1.08	6.79	92.53	14.16	7.27	-	-	113.96
	Cuyahoga Falls City	4.97	0.74	-	5.71	92.53	14.16	11.00	-	-	117.69
2017/2018	Boston Township	4.97	0.74	-	5.71	93.40	14.16	7.98	8.80	1.00	125.34
	Boston Heights Village	4.97	0.74	-	5.71	93.40	14.16	6.10	-	-	113.66
	Hudson City	4.97	0.74	1.08	6.79	93.40	14.16	7.55	-	-	115.11
	Cuyahoga Falls City	4.97	0.74	-	5.71	93.40	14.16	11.00	-	-	118.56
2016/2017	Boston Township	-	0.68	-	0.68	88.43	14.16	7.98	8.80	1.00	120.37
	Boston Heights Village	-	0.68	-	0.68	88.43	14.16	6.10	-	-	108.69
	Hudson City	-	0.68	1.86	2.54	88.43	14.16	8.31	-	-	110.90
	Cuyahoga Falls City	-	0.68	-	0.68	88.43	14.16	11.00	-	-	113.59
2015/2016	Boston Township	-	0.68	-	0.68	88.43	14.16	7.98	8.80	1.00	120.37
	Boston Heights Village	-	0.68	-	0.68	88.43	14.16	6.10	-	-	108.69
	Hudson City	-	0.68	1.86	2.54	88.43	14.16	7.73	-	-	110.32
	Cuyahoga Falls City	-	0.68	-	0.68	88.43	14.16	11.00	-	-	113.59
2014/2015	Boston Township	-	0.59	-	0.59	88.43	14.16	7.98	8.80	1.00	120.37
	Boston Heights Village	-	0.59	-	0.59	88.43	14.16	6.10	-	-	108.69
	Hudson City	-	0.59	1.92	2.51	88.43	14.16	7.79	-	-	110.38
	Cuyahoga Falls City	-	0.59	-	0.59	88.43	14.16	11.00	-	-	113.59
2013/2014	Boston Township	0.58	0.59	-	1.17	89.01	14.16	7.98	8.80	1.00	120.95
	Boston Heights Village	0.58	0.59	-	1.17	89.01	14.16	6.10	-	-	109.27
	Hudson City	0.58	0.59	1.89	3.06	89.01	14.16	7.76	-	-	110.93
	Cuyahoga Falls City	0.58	0.59	-	1.17	89.01	14.16	11.00	-	-	114.17

Source: Summit County Fiscal Officer

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2022 AND DECEMBER 31, 2013

	December 31, 2022		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
American Transmission	$ 18,192,890	1	1.42%
Laurel Lake Retirement Community, Inc.	14,239,430	2	1.11%
Aurora 51 Hines Hill LLC	9,455,720	3	0.74%
East Ohio Gas/Dominion East Ohio	9,363,210	4	0.73%
1943 Holdings LLC	8,577,310	5	0.67%
Hudson Meadows Retirement Community	7,877,290	6	0.61%
Little Tikes, Inc.	7,524,990	7	0.59%
East Ohio Gas Company	6,855,400	8	0.53%
Hudson Senior Living, Inc.	6,405,000	9	0.50%
Hudson Senior Housing | Propco LLC	6,045,460	10	0.47%
Total	$ 94,536,700		7.37%

	December 31, 2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
Little Tikes, Inc.	$ 5,965,434	1	0.67%
JoAnn Stores Support Center, Inc.	5,150,130	2	0.58%
Allstate Insurance Company	3,849,980	3	0.43%
Boston Mills Partners LLC	2,762,220	4	0.31%
Georgetown Development Co.	2,620,860	5	0.29%
Albrecht, Inc.	2,191,390	6	0.25%
Laurel Lake Retirement Community, Inc.	2,077,880	7	0.23%
Hudson MOB LLC	2,013,750	8	0.23%
Kobelco Stewart Bolling, Inc.	1,611,020	9	0.18%
SAI Living Hudson, Inc.	1,463,460	10	0.16%
Total	$ 29,706,124		3.33%

Source: Summit County Fiscal Officer

Note: Information is available on a calendar year basis only

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2022/2023	$ 62,700,444	$ 3,072,885	$ 65,773,329	$ 60,312,433	96.19%
2021/2022	61,363,225	3,349,750	64,712,975	59,620,018	97.16%
2020/2021	60,505,772	4,218,784	64,724,556	57,106,259	94.38%
2019/2020	58,425,042	2,543,336	60,968,378	56,418,187	96.57%
2018/2019	56,714,148	1,036,532	57,750,680	55,457,495	97.78%
2017/2018	56,397,008	1,643,165	58,040,173	55,373,692	98.19%
2016/2017	48,899,723	2,072,180	50,971,903	47,707,712	97.56%
2015/2016	47,883,426	1,910,315	49,793,741	47,189,956	98.55%
2014/2015	47,581,891	2,045,216	49,627,107	46,698,052	98.14%
2013/2014	47,466,864	3,154,378	50,621,242	45,987,842	96.88%

Source: Summit County Fiscal Officer

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
$ 2,388,011	$ 62,700,444	95.33%
1,743,207	61,363,225	94.82%
3,399,514	60,505,773	93.48%
2,006,855	58,425,042	95.83%
1,256,653	56,714,148	98.21%
1,023,316	56,397,008	97.17%
1,192,010	48,899,722	95.93%
693,469	47,883,425	96.16%
883,839	47,581,891	95.88%
1,479,022	47,466,864	93.77%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Governmental Activities

Fiscal Year	(a) General Obligation Bonds	Lease Liability	Subscription Liability	Notes	(a) Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
2023	$ 87,019,431	$ 1,012,146	$ 20,371	$ 5,458,386	$ 88,031,577	5.73%	$ 3,841	$18,678
2022	89,756,842	1,335,877	38,202	315,179	91,092,719	6.52%	3,963	19,328
2021	92,276,367	323,700	-	227,218	92,600,067	6.28%	4,007	19,723
2020	95,107,699	1,218,487	-	-	96,326,186	7.08%	4,332	20,335
2019	97,834,031	1,167,106	-	-	99,001,137	7.74%	4,443	20,904
2018	102,705,364	1,025,888	-	-	103,731,252	8.46%	4,663	22,033
2017	18,631,599	355,113	-	-	18,986,712	1.55%	853	4,074
2016	19,608,257	540,024	-	-	20,148,281	1.71%	898	4,327
2015	20,559,916	712,899	61,158	-	21,333,973	1.81%	950	4,640
2014	21,786,574	874,520	175,380	-	22,836,474	2.00%	1,016	4,946

Sources:

(a) Includes certificates of participation and unamortized premiums. See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule "Demographic and Economic Statistics, Last Ten Fiscal Years" for personal income, population and enrollment information (ADM).

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (a)	Less Net Position Restricted for Debt Service	Net General Obligation Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2023	$ 87,019,431	$ (5,411,062)	$ 81,608,369	2.21%	$ 3,561
2022	89,756,842	(3,957,578)	85,799,264	2.34%	3,733
2021	92,276,367	(3,542,162)	88,734,205	2.72%	3,840
2020	95,107,699	(3,257,387)	91,850,312	2.90%	4,131
2019	97,834,031	(5,402,194)	92,431,837	2.97%	4,148
2018	102,705,364	-	102,705,364	3.76%	4,617
2017	18,631,599	-	18,631,599	0.70%	837
2016	19,608,257	-	19,608,257	0.74%	874
2015	20,559,916	-	20,559,916	0.80%	916
2014	21,786,574	(1,323,826)	20,462,748	0.81%	911

(a) Includes certificates of participation. Details regarding the District's outstanding debt can be found in the notes to the financial statements.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Direct Debt and Estimated Share of Overlapping Debt
Direct debt:			
Hudson City School District	$ 88,031,577 (b)	100.00%	$ 88,031,577
Total direct debt	88,031,577		88,031,577
Overlapping debt:			
City of Hudson	31,843,000	99.71%	31,750,655
City of Cuyahoga Falls	8,285,000	4.05%	335,543
Summit County	75,670,000	8.97%	6,787,599
Boston Heights Village	3,190,000	63.06%	2,011,614
Total overlapping debt	118,988,000		40,885,411
Total direct and overlapping debt	$ 207,019,577		$ 128,916,988

Source: Ohio Municipal Advisory Council

(a) The District's share of the overlapping debt is calculated as the debt outstanding for each noted governmental unit multiplied by the estimated percentage applicable to the District. The estimated percentage applicable to the District is calculated as the assessed valuation of the District's area contained within the noted governmental unit divided by the total assessed valuation of the governmental unit.

(b) See schedule "Ratios of Outstanding Debt by Type" for detail regarding the District's outstanding debt.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Unvoted Debt Limit	Voted Debt Limit	Total Debt Applicable to Limit	Less Debt Service Available Fund Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2023	$1,318,668	$118,680,119	$ 71,690,000	$ (5,340,639)	$ 66,349,361	$ 52,330,758	55.91%
2022	1,292,300	116,306,955	73,550,000	(4,314,169)	69,235,831	47,071,124	59.53%
2021	1,282,817	115,453,493	75,610,000	(3,542,162)	72,067,838	43,385,655	62.42%
2020	1,142,396	102,815,676	77,600,000	(3,367,082)	74,232,918	28,582,758	72.20%
2019	1,109,889	99,890,023	79,510,000	(3,526,747)	75,983,253	23,906,770	76.07%
2018	1,090,960	98,186,377	83,590,000	(6,394,498)	77,195,502	20,990,875	78.62%
2017	957,220	86,149,816	18,555,000	-	18,555,000	67,594,816	21.54%
2016	935,942	84,234,796	19,525,000	-	19,525,000	64,709,796	23.18%
2015	926,899	83,420,949	20,470,000	-	20,470,000	62,950,949	24.54%
2014	897,322	80,758,994	21,690,000	(302,335)	21,387,665	59,371,329	26.48%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed value	$1,318,667,990
Debt limit (9% of assessed value)	118,680,119
Add: debt service fund equity	5,340,639
Less: debt applicable to limit	(71,690,000)
Legal debt margin	$ 52,330,758

Source: Summit County Fiscal Officer and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (a)	Personal Income (a)	Per Capita Personal Income (a)	Median Age (b)	School Enrollment (c)	Unemployment Rates (d)		
						Summit County	Ohio (e)	United States (e)
2023	22,917	$ 1,537,478,613	$ 67,089	46.1	4,713	3.8%	3.4%	3.6%
2022	22,983	1,397,849,043	60,821	46.1	4,713	4.4%	3.9%	3.6%
2021	23,110	1,473,632,260	63,766	46.1	4,695	6.6%	5.2%	5.9%
2020	22,237	1,360,637,556	61,188	41.3	4,737	11.4%	11.0%	11.1%
2019	22,285	1,278,958,435	57,391	41.3	4,736	4.3%	4.0%	3.7%
2018	22,245	1,226,700,525	55,145	41.3	4,708	5.2%	4.5%	4.0%
2017	22,251	1,223,871,753	55,003	41.3	4,661	5.3%	5.0%	4.4%
2016	22,437	1,179,916,956	52,588	41.3	4,656	4.9%	5.0%	4.9%
2015	22,448	1,180,495,424	52,588	41.3	4,598	5.0%	5.2%	5.3%
2014	22,474	1,143,881,652	50,898	41.3	4,617	5.5%	5.5%	6.1%

Sources/Notes:
(a) U.S. Census Bureau QuickFacts; City of Hudson estimates for the calendar year prior to the fiscal year listed (information is available on a calendar year basis only).
(b) City of Hudson records for fiscal years 2021-2023 (2020 calendar year data). Figure for prior years is from the 2010 census.
(c) District records
(d) June Ohio Labor Market Information, Ohio Department of Job and Family Services
(e) Seasonally adjusted

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2022 AND DECEMBER 31, 2013

	December 31, 2022	
Employer	**Employees**	**Percentage of Total City Employment**
Leaffilter North LLC	1,040	5.31%
Little Tikes Company	979	5.00%
Hudson City School District	963	4.92%
Jo-Ann Stores Support Center	955	4.88%
Jo-Ann Stores LLC	855	4.37%
Universal Screen Arts Inc	629	3.21%
Diebold Nixdorf Inc	441	2.25%
City of Hudson	359	1.83%
Allstate Insurance Company	345	1.76%
Rental Concepts Inc DBA Fleet Response	265	1.35%
Total	6,831	34.88%
Total Employment within the City	19,583	

	December 31, 2013	
Employer	**Employees**	**Percentage of Total City Employment**
Allstate Insurance Company	1,460	11.25%
Jo-Ann Stores Supply Chain	1,223	9.43%
Hudson City School District	980	7.55%
Little Tikes Company	626	4.83%
City of Hudson	352	2.71%
Laurel Lake Retirement Community	326	2.51%
Western Reserve Academy	249	1.92%
Windstream Communications, Inc.	242	1.87%
Lexi-Comp Inc.	166	1.28%
WBC Group LLC	155	1.19%
Total	5,779	44.54%
Total Employment within the City	12,974	

Source: City of Hudson records.

Note: Information is available on a calendar year basis only.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS

Type	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Professional Staff:										
Teaching Staff:										
Elementary	120	121	118	116	120	115	113	111	106	109
Middle	67	67	67	67	65	70	69	68	76	67
High	92	94	100	94	95	95	95	93	93	95
Tutors	30	32	23	25	19	23	21	28	29	25
Others	4	8	6	6	6	4	4	3	3	4
Administration:										
District	26	27	27	27	27	26	26	25	25	25
Auxiliary Positions:										
Counselors	14	13	13	13	13	13	13	13	13	13
Speech	8	8	8	8	8	8	9	9	9	10
Mental Health Specialists	5	6	6	6	6	5	7	7	11	10
Other	25	31	31	31	29	29	32	33	27	29
Support Staff:										
Secretarial	42	41	41	42	45	44	44	45	44	45
Aides	99	95	82	96	95	92	93	92	91	90
Hall monitor/Security	13	12	11	12	11	11	11	11	10	13
Food service	19	17	18	20	20	20	20	19	19	21
Custodial	31	32	31	31	31	29	30	31	31	32
Maintenance	10	10	10	10	9	10	8	10	10	10
Other	2	2	2	2	2	2	2	2	2	2
Total	607	616	594	606	601	596	597	600	599	600

Function	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Instruction:										
Regular	230	233	237	228	227	225	225	227	231	223
Special	78	83	72	75	73	77	72	72	72	73
Vocational	1	1	1	1	1	1	1	1	1	1
Other	4	4	4	4	4	4	4	3	3	3
Support Services:										
Pupil	44	48	49	50	48	47	48	47	50	54
Instructional staff	121	117	103	118	115	112	118	119	111	109
Administration	54	55	54	54	58	57	57	57	58	61
Fiscal	6	6	6	6	6	6	6	6	6	6
Business	6	6	6	6	6	5	5	4	4	4
Operations and maintenance	42	44	42	42	41	40	39	42	41	43
Central	2	2	2	2	2	2	2	2	2	2
Food service	19	17	18	20	20	20	20	20	20	21
Total Governmental Activities	607	616	594	606	601	596	597	600	599	600

Source: School District Records - EMIS Staff Employment Record

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular and Special										
Enrollment (students)	4,713	4,713	4,695	4,737	4,736	4,708	4,661	4,656	4,598	4,617
Graduates	388	370	414	373	374	389	391	401	410	398
Support services:										
Administration										
Student attendance rate	94.6%	95.1%	97.0%	96.8%	96.0%	95.9%	96.0%	95.8%	96.2%	96.3%
Food service operations:										
Number of students with										
free or reduced lunches	339	217	242	221	240	243	254	218	243	249

Source: School District Records - EMIS Headcount Statistics May 2023, EMIS Reports, and Nutrition Services Report

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2023	2022 (c)	2021 (b)	2020	2019
Land	$ 1,022,386	$ 1,022,386	$ 1,022,386	$ 1,022,386	$ 1,022,386
Construction in progress	1,380,854	-	58,477,761	43,213,059	10,048,035
Land improvements	5,931,519	6,274,966	4,417,880	4,107,628	4,253,777
Buildings and improvements	112,692,912	116,779,564	57,822,559	47,761,617	45,473,733
Furniture, fixtures and equipment	2,977,501	2,981,881	3,029,854	3,483,284	3,679,702
Vehicles	786,835	775,005	1,101,064	1,226,410	1,441,573
Computer software	-	-	4,463	8,925	13,388
Lease assets - buildings	154,075	205,433	-	-	-
Lease assets - equipment	839,434	1,119,246	297,743	-	-
Subscription assets	22,903	38,202	-	-	-
Total Governmental Activities Capital Assets, net (a)	$ 125,808,419	$ 129,196,683	$ 126,173,710	$ 100,823,309	$ 65,932,594

Source: School District financial records.

(a) Amounts are presented net of accumulated depreciation/amortization.
(b) The District implemented GASB Statement No. 87 in 2022 which had the effect of restating 2021 capital assets.
(c) The District implemented GASB Statement No. 96 in 2023 which had the effect of restating 2022 capital assets.

2018	2017	2016	2015	2014
$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204
444,165	-	-	322,179	523,955
4,322,623	4,482,595	4,568,776	4,325,124	4,329,314
45,748,796	46,896,497	46,598,621	46,912,197	45,605,270
3,871,362	3,191,443	3,478,148	3,414,797	3,425,574
1,456,567	1,431,092	1,280,307	1,252,617	1,138,088
18,828	25,245	31,663	123,301	243,345
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 56,894,545	$ 57,059,076	$ 56,989,719	$ 57,382,419	$ 56,297,750

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Evamere Elementary							
Square feet	36,657	59,847	59,847	59,847	59,847	59,847	59,847
Enrollment	-	-	403	629	622	604	594
McDowell Elementary							
Square feet	56,800	56,800	56,800	56,800	56,800	56,800	56,800
Enrollment	433	452	-	329	337	309	327
Ellsworth Hill Elementary							
Square feet	79,111	79,111	79,111	64,411	64,411	64,411	64,411
Enrollment	674	655	648	446	433	424	381
East Woods Intermediate							
Square feet	139,971	139,971	190,432	139,900	139,900	139,900	139,900
Enrollment	1,031	1,011	1,016	673	673	682	663
Hudson Middle School							
Square feet	178,490	178,490	178,490	190,432	190,432	190,432	190,432
Enrollment	1,041	1,072	1,066	1,076	1,107	1,086	1,122
Hudson High School							
Square feet	342,620	342,620	342,620	342,620	342,620	342,620	342,620
Enrollment	1,534	1,523	1,562	1,584	1,564	1,603	1,574

Source: School District Records - EMIS Headcount Statisitcs Report May 2023 and Facilities Records

Notes:

Evamere Elementary School renovated for Administration Offices in fiscal year 2022. No student enrollment.

McDowell Elementary enrollment changed from 3rd Grade to Preschool and Kindergarten in fiscal year 2021 and was at Evamere Elementary. PreK and Kindergarten moved to McDowell Elementary building in fiscal year 2022. Enrollment includes Kindergarten students attending on a half-time basis.

Ellsworth Hill Elementary's enrollment changed from Preschool and 2nd Grade to 1st and 2nd Grades in fiscal year 2021.

East Woods Intermediate was under construction during fiscal year 2021. 3rd - 5th Grade students were at the former Hudson Middle School. The new Hudson Middle School opened in fiscal year 2021 (Grades 6-8).

2016	2015	2014
59,847	59,847	59,847
580	563	556
56,800	56,800	56,800
317	288	344
64,411	64,411	64,411
390	364	328
139,900	139,900	139,900
683	661	660
190,432	190,432	190,432
1,081	1,101	1,089
342,620	342,620	342,620
1,605	1,621	1,640

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

TEACHER STATISTICS
AS OF JUNE 30, 2023

Degree	Number of Teachers (FTE)	Percentage of Total	Pay Range
Associates and/or High School Diploma	1	0.36%	(a)
Bachelor's Degree	33	11.83%	$46,892 - $70,760
Master's Degree	243	87.10%	$51,154 - $112,541
Ph.D.	2	0.72%	$57,973 - $117,230
	279	100.00%	

Years of Experience	Number of Teachers (FTE)	Percentage of Total
0 - 5	40	14.34%
6 - 10	53	19.00%
11 and over	186	66.67%
	279	100.00%

Source: School District Record - EMIS Staff Employment Record and HEA Agreement

(a) The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Operating Fund Cash Basis Disbursements	General Operating Fund Cost Per Pupil	ODE Enrollment (a)	Percent Change	Teaching Staff	Student Attendance Percentage
2023	$ 72,530,392	$15,730	4,611	0.11%	361	94.6%
2022	69,490,359	15,087	4,606	0.79%	367	95.1%
2021	66,782,770	14,613	4,570	-1.68%	356	97.0%
2020	65,822,610	14,161	4,648	0.43%	349	96.8%
2019	64,391,590	13,913	4,628	0.81%	347	96.0%
2018	60,766,413	13,236	4,591	0.04%	344	95.9%
2017	58,091,402	12,659	4,589	0.66%	342	96.0%
2016	56,753,166	12,449	4,559	0.46%	338	95.8%
2015	56,306,334	12,408	4,538	-0.96%	342	96.2%
2014	55,617,997	12,138	4,582	-1.37%	342	96.3%

Source: School District Records - ODE Headcount Enrollment Report and Staff Employment Record

(a) The enrollment reported in this table is based on ODE records rather than District enrollment figures. Using the ODE headcount for cost per pupil statistics allows equitable district by district comparison.

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