HUDSON CITY SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2022

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

HUDSON CITY SCHOOL DISTRICT
76 N. HAYDEN PARKWAY
HUDSON, OH 44236

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

HUDSON CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

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Hudson City School District
TREASURER'S OFFICE
2386 Hudson-Aurora Road
Hudson, OH 44236-2322
330-653-1270
330-656-2292 FAX

December 28, 2022

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, 2022. This Annual Comprehensive Financial Report, which includes an opinion from the Independent Auditors, 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 2022 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.

Economic Condition And Outlook

Ohio's unemployment rate was 3.9 percent in June 2022, and the nation's unemployment rate for the same period was 3.6 percent. Additionally, June 2022 employment in the Akron Metropolitan Statistical Area was 334,200 with an unemployment rate of 4.4 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 28, 2022.

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 – as of 6-30-22

Name	Began	Expires	Profession
David Zuro (President)	01-01-10	12-31-25	Telecommunications Manager, Retired
Steven DiMauro (Vice-President)	01-01-08	12-31-25	Associate Director, Accenture
James Field	01-01-12	12-31-23	Business Analyst, Heinen's Fine Foods
Tom Tobin	01-01-16	12-31-23	Charitable Foundation Executive, Retired
Alisa Wright	01-01-18	12-31-25	Attorney

ADMINISTRATION – as of 6-30-22

Name	Position
Steven L. Farnsworth	Interim 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

Employee Relations

The District currently has approximately 651 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 2021-22 fiscal year, the District's fleet of buses traveled 3,198 miles each day providing transportation services to 2,541 public and 147 private and parochial students. The Nutrition Services Department served an average of 3,886 meals daily for a total of 668,319 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 628 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 2022

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. During the 2021-2022 school year, Hudson City Schools opened newly renovated elementary buildings: McDowell Early Learning School, home for preschool and kindergarten students; and East Woods Intermediate School, home to students in grades 3, 4 and 5. Improved lighting, all new furniture, renovated classrooms and restrooms, and new technology were all components of the renovated buildings. Additionally, one of the elementary schools was converted to consolidate all central office personnel. The 2022 school year also brings the closing of the 81.55 million dollar facility project.

Our district's academic program provides opportunities for all students to reach their full potential. Some of our celebrations include:
Hudson High School often represents the culmination of the strong student experience beginning in preschool through grade 12.

- *#16 ranked public high school in Ohio and #1 in Summit County according to US News & World Report.*
- *20 Hudson High School students have posted perfect "36" Composite Scores on the ACT in the past 5 years.*
- *19 seniors in the class of 2022 have been recognized as National Merit Scholars: 8 as finalists and 11 as commended. For the past five years, HHS has honored an average of 22 National Merit Scholars.*
- *Hudson ACT composite for 2022 is 23.0 (state average 18.7) with 371 seniors taking the test.*
- *24 Advanced Placement courses are offered. All AP students must take the Advanced Placement test.*

- *631 students took 1385 AP tests in May of 2022 with 77% scoring a 3 or above. 99 students earned AP Scholar with Distinction, 62 AP Scholars with Honor, and 86 students earned AP Scholar distinction.*
- *152 Hudson High School students were inducted into membership in the National Honor Society.*
- *199 Hudson High School graduates in the class of 2022 earned the State of Ohio Honors Diploma.*
- *234 seniors graduated with designated honors in 2022: 87 earned Cum Laude honors (3.67-3.99); 73 earned Magna Cum Laude honors (4.00-4.32); 74 earned Summa Cum Laude honors (4.33 and above). 13th ranked public High School in Ohio, and ranked #1 in Summit County.*
- 26 Six District Compact College and Career programs include work experience in skilled and technical occupations through cooperation with five other area school districts.
- Hudson hosts two College and Career courses: Auto Technology and Modern Communication. Modern Communication classes spend a semester at Hudson High School delving into the visual communication aspect and then travel to Cuyahoga Falls Schools for the audio/radio aspect of communications.
- Class of 2022: 90% attending four-year institutions, 3% attending two-year technical/career college and 7% employed.
- Approximately 57% of students in the class of 2022 attend public universities in Ohio and 11% attend private Ohio universities. Approximately 29% attend out of state universities/colleges and 3% attend 2 year/Technical Colleges.
- Project Based Learning has been an area of focus for the students of Hudson. It is important for our students to be able to engage in learning that is authentic and to solve real-world problems.
- Technology: Curriculum incorporates digital learning and technology beginning with the youngest students. Hudson Schools is 1:1, which means every student has their own device. Students in K-5 have Chromebooks and students in grades 6-12 are 1:1 with iPads. The focus of technology is beyond work completion and acquiring knowledge and skills. Working with teachers to use technology for application of concepts and creation of different ways to represent learning has been a focus and will continue to be a focus.
- Environmental Sustainability: Recycling responsibility takes place K-12. HHS curriculum includes use of the Environmental Land Lab. The McDowell Arboretum provides an outdoor environmental science education resource for elementary students. With the support of the GAR Foundation and Hudson Kiwanis, we were able to create a Hydroponics Garden at the HS. Students in AP environmental science, students with disabilities, and students in ecology are working to grow herbs and vegetables to sell. The goal is to potentially run a sustainable business through the hydroponic garden.
- Curricular lessons and units are being designed to design and build using technology such as a laser-cutter, incorporating 3-D printing, Glowforge, and Makerspace in grades 3-12.
- Students using 3-D technologies, VR goggles, and resources that help students emerge in their learning, literally (virtually), augmentative reality sandboxes, and Virtual Reality tools to further engage in learning and problem-solving.
- Examples of unique Hudson High School programs that provide rigor and meaning for students:
    - Service Learning – Recognized by Ohio as the model program, this course combines the disciplines of Social Studies and English with application in service to the community. Students receive a “hands-on” experience through real-world experience. These students logged over 18,566 hours of community service in one school year.
    - New Dimensions – Interdisciplinary humanities course that includes psychology, philosophy, anthropology and sociology
    - Honors Biology and Honors English 9 H2BE-This is a co-taught freshman level class where these two disciplines are integrated. Students engage in backpacking, camping, and hiking in Ohio and Pennsylvania.
    - Geometric Design- Is course started in the 2018-2919 school year. Math and Art intersect in this co-taught course for freshmen.
    - World Language – HHS offers six World Languages, including Spanish, Latin, French, German, Mandarin Chinese, and American Sign Language
    - Offering College Credit Plus (CCP) courses at Hudson High School and at local universities
    - The journalism class, yearbook class, and the new Modern Communications class attended a conference in Los Angeles, CA for a National Journalism Conference.
    - Students are involved in national Model United Nation conferences in and out of the state of Ohio.
    - Video production classes are offered and the District partners with Hudson Community Television, which is based in the High School.

Highlighting Learning:
In the Middle School Service Learning Class students engage in a variety of service research projects. The focus project is *Hands of Gratitude*. Students help to assemble prosthetic hands for children around the world. This is one way to connect with the world around them. Community member sponsors make it possible to keep the project sustainable.

With the facility projects around the district, students were able to explore sustainability through the design of the new Middle School, landscape architecture, and being involved in the design.

Fine and performing arts are an important and integral part of the curriculum and extracurricular student activities. Arts and music touches nearly all students K-12.

- Many Hudson High School students garnered Scholastic Art Awards. The art electives include Graphics, Drawing, AP art, photography (advanced and beginner), ceramics, mixed media, painting (advanced and beginner), art I, advanced art, AP studio art, and yearbook.
- The journalism class, yearbook class, and the new Modern Communications class attended a conference in Los Angeles, CA for a National Journalism Conference.
- General music is incorporated into the curriculum at all elementary grades. Orchestra begins in 4th grade; band begins in 5th grade. Vocal performance groups offered at East Woods include 4th grade choir, East Woods Singers, and East Woods Ensemble. The middle school offers middle school choir and a middle school play.
- Hudson Middle School offers electives in the arts that go beyond band, choir, and orchestra.
- Video: Video is an important component of 21st century communications. HHS offers Digital Video Production. At the High School, Middle School and East Woods, students program and present morning announcements using studio and video technology.

A well-rounded education includes a wide variety of opportunities including student leadership, real-world learning, co-curricular and extracurricular opportunities.

- Hudson High School emphasizes student leadership in all aspects of student life, including but not limited to 49 clubs, Student Government, Junior Leadership, Student to Student programs, such as HUDDLE, and the Hudson Leadership Conference (which is student led).
- Peer Collaboration is an initiative at Hudson High School that offers students the opportunity to engage as mentors, and tutors, while working with teachers for course credit
- High school activities such as Mock Trial, Model UN, Science Olympiad, Academic Challenge, Mu Alpha Theta Math Honor Society, and the JA Titan Challenge provide opportunities for students to excel beyond the classroom
- Middle School Clubs include Student Council, Drama Club, Ski Club, Student-to-Student, and Yearbook, Builders Club (Rotary-Based), and Makerspace Club.
- Middle School Student Council emphasizes student leadership and service
- Leader In Me – Develops leadership skills through the implementation of the 7 Habits of Happy Kids and the 7 Habits of Highly Effective Teens in preschool through grade 8
- Advisor/Advisee program – Hudson Middle School program that assigns small groups of students to a single staff member for all three years
- Strong athletics participation: Over 50% of the students in grades 7-12 are student athletes
- HHS boasts 27 High School Boys and Girls Sports, a Rugby Club and a Boys Volleyball Club.

A variety of services provide options to ensure all students receive individualized instruction, enrichment and support.

- During the summer of 2022, the district offered math, reading, and writing intervention to over 350 students in grades K-5. School counseling was also available for students during the summer to support living within the pandemic.
- 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 (social emotional student survey) to design supports responsive to students' needs.
- Preschool for students with and without disabilities.
- Hudson Preschool earned the Five-Star Step Up To Quality Rating, a very high 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.
- Partnered with the community to bring education, awareness, resources, and expand parent partnerships to advocate for students who struggle or could potentially struggle with drug and alcohol addictions.
- Providing counseling services through partner agencies to provide more intensive mental health counseling to individual students.
- Partnered with Community First to host the viewing and panel discussion of the documentary Anxiety.
- Guidance 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.
- 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

Financial Reporting

For the fiscal year ended June 30, 2022, 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 2022. 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 2 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

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 2022 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 Circular A-133 *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 2021 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, 2021. This was the twenty-third 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, 2021. This was the twenty-third 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, 2022, 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.

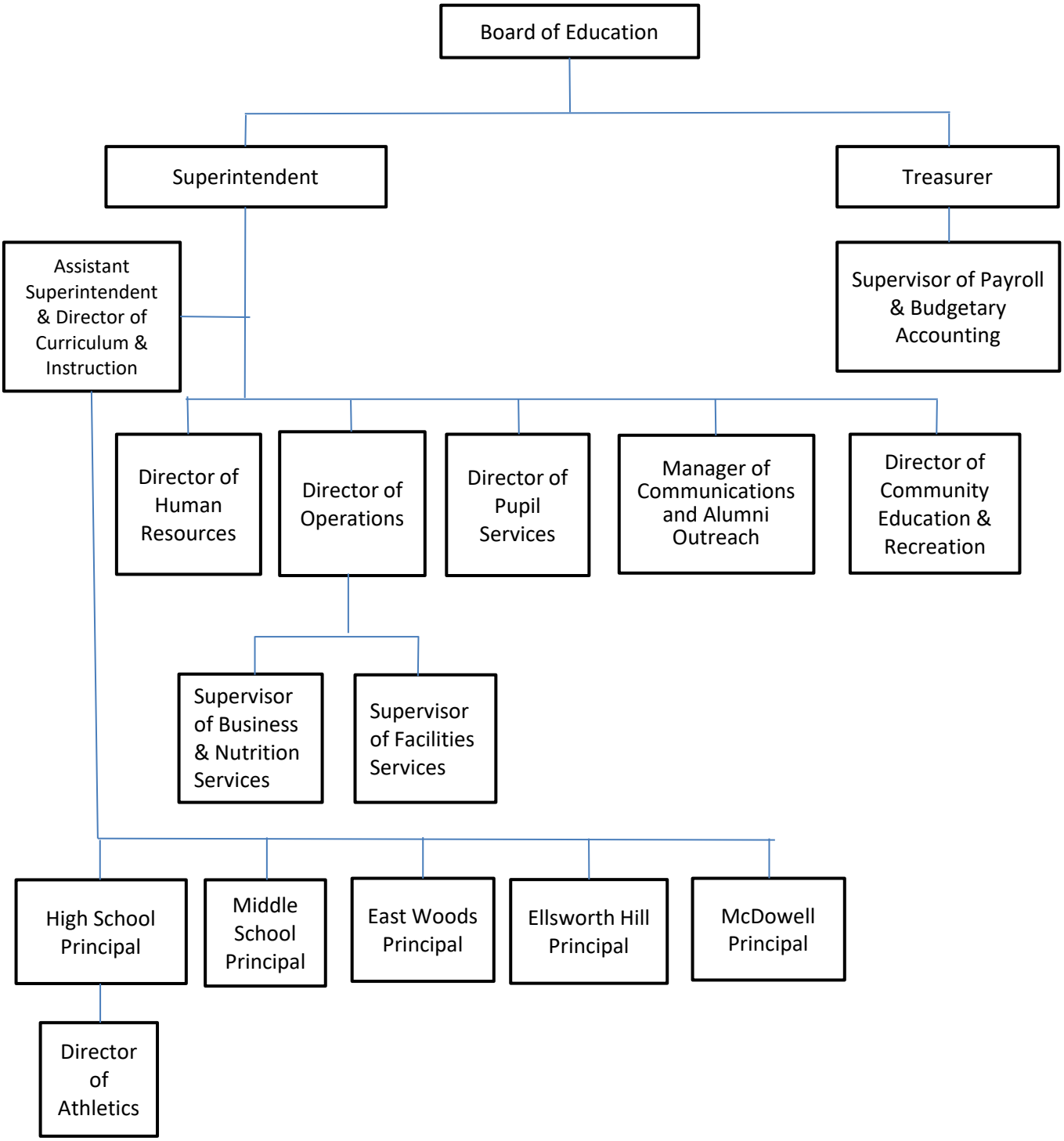
The preparation and publication of this Annual Comprehensive Financial Report on a timely basis could not have been possible without the cooperation of the entire staff of the Treasurer's Office. Additional appreciation is extended to Doreen Osmun, Assistant Superintendent and Director of Curriculum & 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, 2021

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, 2021.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
Executive Director

FINANCIAL SECTION

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5510 Pearl Road Ste 102
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, 2022, 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, 2022, 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.

Emphasis of Matters

As discussed in Note 19 to the financial statements, the financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the District. As discussed in Note 2 to the financial statements, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We did not modify our opinion regarding these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, 2022, 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, 2022

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, 2022. 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 2022 are as follows:

- In total, net position increased $197,262 from fiscal year 2021's net position. Net position of governmental activities decreased $179,408 and net position of business-type activities increased $376,670.

- Total governmental activities revenues were $84,111,751. General revenues related to governmental activities accounted for $71,733,373 or 85.28% of all revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for $12,378,378 or 14.72% of total revenues.

- The District had $84,291,159 in expenses related to governmental activities; only $12,378,378 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 $71,733,373 were not adequate to provide for these programs.

- The District had $1,307,380 in expenses related to business-type activities; program specific revenues in the form of charges for services amounted to $1,547,845. Business-type activities also received general revenues of $136,205 in the form of grants.

- The District's most significant governmental fund is the general fund. The general fund had $68,752,896 in revenues and other financing sources and $72,605,351 in expenditures and other financing uses. This resulted in a decrease in fund balance from $31,329,586 to $27,477,131.

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 and the building fund are the most significant funds, and the only governmental funds reported as major funds.

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 2022?" 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 funds are the general fund and the building 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 2022 and 2021.

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	$ 102,401,509	$111,691,658	$ 1,356,870	$ 1,162,164	$ 103,758,379	$112,853,822
Net OPEB asset	5,503,614	4,557,875	14,264	6,757	5,517,878	4,564,632
Capital assets, net	129,158,481	126,173,710	-	-	129,158,481	126,173,710
Total assets	237,063,604	242,423,243	1,371,134	1,168,921	238,434,738	243,592,164
Deferred outflows of resources						
Other amounts	1,180,305	1,047,895	-	-	1,180,305	1,047,895
Pension	16,862,162	13,965,695	195,818	112,447	17,057,980	14,078,142
OPEB	1,949,473	2,329,408	69,666	53,935	2,019,139	2,383,343
Total deferred outflows of resources	19,991,940	17,342,998	265,484	166,382	20,257,424	17,509,380
Liabilities						
Current liabilities	11,608,732	10,460,883	97,933	128,377	11,706,665	10,589,260
Long-term liabilities:						
Due within one year	3,445,220	3,731,659	26,287	25,398	3,471,507	3,757,057
Net pension liability	43,386,159	81,133,084	507,101	782,215	43,893,260	81,915,299
Net OPEB liability	5,295,368	6,264,055	222,478	234,853	5,517,846	6,498,908
Other amounts	92,082,514	93,328,045	17,490	11,340	92,100,004	93,339,385
Total liabilities	155,817,993	194,917,726	871,289	1,182,183	156,689,282	196,099,909
Deferred inflows of resources						
Other amounts	51,750,605	49,971,362	-	-	51,750,605	49,971,362
Pension	34,913,728	967,971	366,010	137,901	35,279,738	1,105,872
OPEB	9,760,908	8,917,464	236,821	229,391	9,997,729	9,146,855
Total deferred inflows of resources	96,425,241	59,856,797	602,831	367,292	97,028,072	60,224,089
Net Position						
Net investment in capital assets	40,514,922	43,823,286	-	-	40,514,922	43,823,286
Restricted	11,788,564	11,393,039	-	-	11,788,564	11,393,039
Unrestricted (deficit)	(47,491,176)	(50,224,607)	162,498	(214,172)	(47,328,678)	(50,438,779)
Total net position (deficit)	$ 4,812,310	$ 4,991,718	$ 162,498	$ (214,172)	$ 4,974,808	$ 4,777,546

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2022 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.

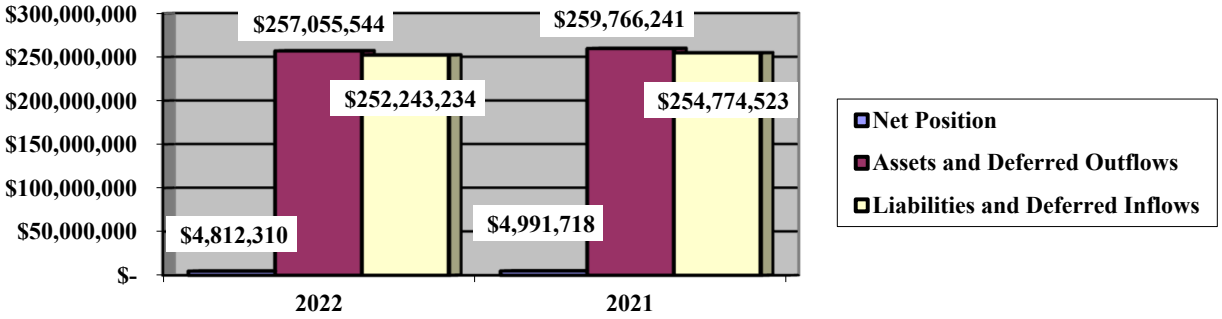
As the previous table illustrates, some of the more significant changes in net position were related to the District's net pension liability, net OPEB liability/asset and the related deferred inflows/outflows of resources. See Note 11 and Note 12 in the notes to the basic financial statements for additional 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.

For the governmental activities, most of the other significant changes are a result of the District's ongoing construction projects. The District spent available resources from the bonds issued in fiscal year 2018 which accounts for the decrease in current assets (cash and investments) and an increase in net capital assets.

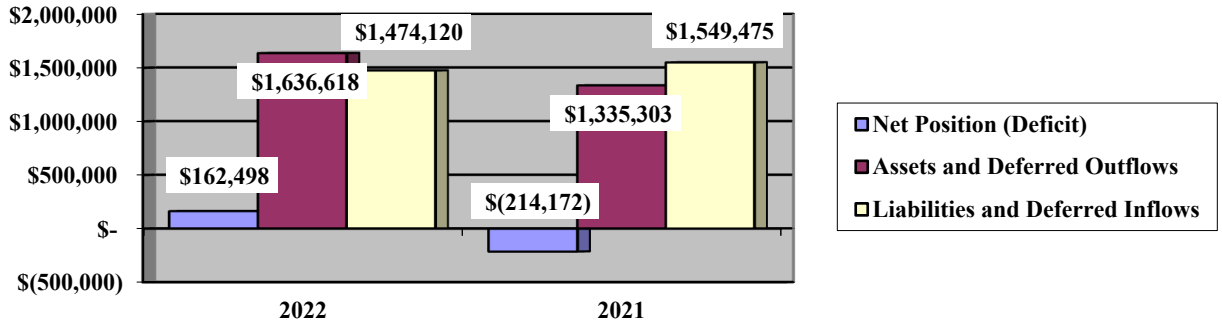
A portion of the District's net position, or $11,788,564, represents resources that are subject to external restriction on how they may be used. The net investment in capital assets makes up another $40,514,922. The remaining unrestricted portion of the District's net position is a deficit of $47,491,176. This represents a decrease of $2,733,431 compared to the prior year's deficit, which is mostly due to the changes in the pension and OPEB calculations.

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, 2022 and June 30, 2021.

Governmental Activities



Business-Type Activities



The table that follows shows the changes in net position for fiscal years 2022 and 2021.

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services and sales	$ 3,476,453	$ 2,513,059	$ 1,547,845	$ 1,173,276	$ 5,024,298	$ 3,686,335
Operating grants and contributions	8,877,068	7,546,936	-	-	8,877,068	7,546,936
Capital grants and contributions	24,857	49,116	-	-	24,857	49,116
General revenues:						
Property taxes	53,637,231	55,661,223	-	-	53,637,231	55,661,223
Payments in lieu of taxes	401,895	423,363	-	-	401,895	423,363
Unrestricted grants and entitlements	17,681,115	17,174,728	136,205	126,737	17,817,320	17,301,465
Investment earnings	(465,074)	152,157	-	-	(465,074)	152,157
Miscellaneous	478,206	318,230	-	-	478,206	318,230
Total revenues	84,111,751	83,838,812	1,684,050	1,300,013	85,795,801	85,138,825
Expenses						
Instruction:						
Regular	35,816,224	34,220,892	-	-	35,816,224	34,220,892
Special	10,372,613	10,973,538	-	-	10,372,613	10,973,538
Vocational	372,102	282,715	-	-	372,102	282,715
Other	1,079,359	1,343,642	-	-	1,079,359	1,343,642
Support services:						
Pupil	5,407,605	6,109,168	-	-	5,407,605	6,109,168
Instructional staff	2,321,176	2,755,044	-	-	2,321,176	2,755,044
Board of education	56,074	49,334	-	-	56,074	49,334
Administration	4,498,841	4,846,185	-	-	4,498,841	4,846,185
Fiscal	1,825,526	2,131,737	-	-	1,825,526	2,131,737
Business	539,384	735,981	-	-	539,384	735,981
Operations and maintenance	5,886,401	9,576,045	-	-	5,886,401	9,576,045
Pupil transportation	5,125,606	4,701,749	-	-	5,125,606	4,701,749
Central	797,782	727,955	-	-	797,782	727,955
Operation of non-instructional services:						
Food service operations	1,889,701	1,463,726	-	-	1,889,701	1,463,726
Other non-instructional services	283,326	243,911	-	-	283,326	243,911
Extracurricular activities	4,595,518	2,329,250	-	-	4,595,518	2,329,250
Interest and fiscal charges on long-term debt	3,423,921	3,464,820	-	-	3,423,921	3,464,820
Community education	-	-	1,307,380	1,040,369	1,307,380	1,040,369
Total expenses	84,291,159	85,955,692	1,307,380	1,040,369	85,598,539	86,996,061
Change in net position	(179,408)	(2,116,880)	376,670	259,644	197,262	(1,857,236)
Net position (deficit) at beginning of year	4,991,718	7,108,598	(214,172)	(473,816)	4,777,546	6,634,782
Net position (deficit) at end of year	$ 4,812,310	$ 4,991,718	$ 162,498	$ (214,172)	$ 4,974,808	$ 4,777,546

Governmental Activities

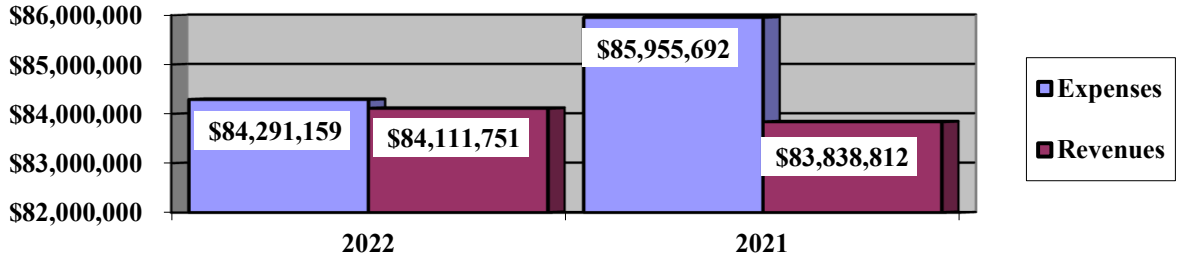
Net position of the District's governmental activities decreased $179,408. Total governmental expenses of $84,291,159 were offset by program revenues of $12,378,378 and general revenues of $71,733,373.

Although in total revenues remained comparable to the prior year, there were some notable increases and decreases. The most significant decrease in revenues was property taxes. 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 revenue and can vary depending on when the County distributes the second-half tax bills and receives payment. Operating grants and contributions increased, primarily due to additional Federal grants available in response to the COVID-19 pandemic. Investment earnings are reported net of any change in the fair value of investments, which for the District in fiscal year 2022 resulted in negative investment earnings revenue.

Expenses of the governmental activities decreased slightly, down $1,664,533 or 1.94%. The District's instruction programs accounted for $47,640,298 or 56.52% of total expenses.

The following graph presents the District's governmental activities revenues and expenses for fiscal years 2022 and 2021.

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 2022 and 2021. That is, it identifies the cost of these services supported by taxes revenue and unrestricted grants and entitlements.

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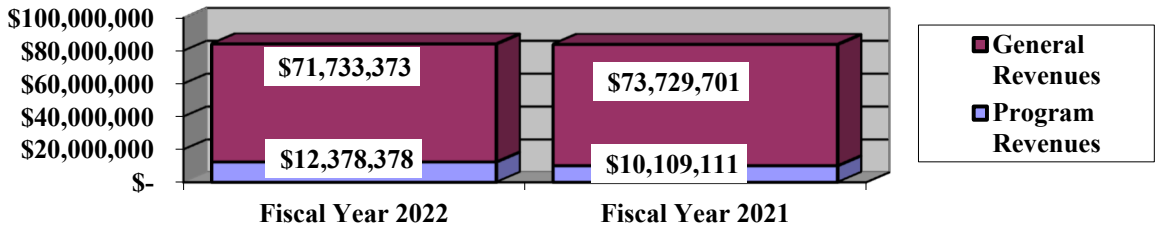
	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	$ 35,816,224	$ 31,752,283	$ 34,220,892	$ 30,646,169
Special	10,372,613	7,699,628	10,973,538	8,181,751
Vocational	372,102	352,975	282,715	244,432
Other	1,079,359	1,064,371	1,343,642	1,325,954
Support services:				
Pupil	5,407,605	4,683,394	6,109,168	5,471,836
Instructional staff	2,321,176	2,235,090	2,755,044	2,642,960
Board of education	56,074	56,074	49,334	49,334
Administration	4,498,841	4,444,449	4,846,185	4,786,401
Fiscal	1,825,526	1,825,526	2,131,737	2,131,737
Business	539,384	539,384	735,981	735,981
Operations and maintenance	5,886,401	5,724,407	9,576,045	9,186,026
Pupil transportation	5,125,606	4,966,586	4,701,749	4,620,184
Central	797,782	797,782	727,955	727,955
Operation of non-instructional services:				
Food service operations	1,889,701	(1,170,977)	1,463,726	85,299
Other non-instructional services	283,326	3,975	243,911	(12,871)
Extracurricular activities	4,595,518	3,513,913	2,329,250	1,558,613
Interest on long-term debt	3,423,921	3,423,921	3,464,820	3,464,820
Total expenses	$ 84,291,159	$ 71,912,781	$ 85,955,692	$ 75,846,581

The dependence upon tax revenues during fiscal year 2022 for governmental activities is apparent, as 85.79% of 2022 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 85.31% in 2022. 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 2022 and 2021.

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the District's community education program which had operating revenues of $1,547,845 and operating expenses of $1,307,380 for fiscal year 2022, resulting in operating income of $240,465. Operating revenues, which are primarily charges for community programs, were nearly back to pre-COVID-19 levels in fiscal year 2022 after seeing a decrease in the prior two years. Other changes in net position include nonoperating revenue (grants) of $136,205, and the overall change in net position was an increase of $376,670. 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 $37,774,590, which is $10,827,750 lower than last year's total. The schedule below indicates the fund balance as of June 30, 2022 and 2021, and the total change in fund balance.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change
General fund	$ 27,477,131	$ 31,329,586	$ (3,852,455)
Building fund	2,450,399	11,773,092	(9,322,693)
Nonmajor governmental funds	7,847,060	5,499,662	2,347,398
Total	$ 37,774,590	$ 48,602,340	$ (10,827,750)

General Fund

Fund balance for the general fund decreased $3,852,455 or 12.30%. 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 35.39% of total general fund expenditures, while total fund balance represents 38.14% of that same amount.

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

	2022 Amount	2021 Amount	Percentage Change
Revenues			
Property taxes	$ 47,406,762	$ 48,844,110	(2.94) %
Payments in lieu of taxes	401,895	423,363	(5.07) %
Tuition and fees	1,702,295	1,466,098	16.11 %
Earnings on investments	(505,750)	201,268	(351.28) %
Intergovernmental	16,696,942	16,266,494	2.65 %
Other revenues	882,957	636,553	38.71 %
Total	$ 66,585,101	$ 67,837,886	(1.85) %

The overall decrease in general fund revenues is primarily due to declines in property taxes revenue and earnings on investments. See page F 11 for more information on these decreases.

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

	2022 Amount	2021 Amount	Percentage Change
Expenditures			
Instruction	$ 41,218,670	$ 38,640,784	6.67 %
Support services	26,707,807	25,116,457	6.34 %
Other non-instructional services	203	1,401	(85.51) %
Extracurricular activities	1,376,400	1,253,725	9.78 %
Capital outlay	1,655,850	10	16,558,400.00 %
Debt service	1,076,421	1,119,033	(3.81) %
Total	$ 72,035,351	$ 66,131,410	8.93 %

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. Additionally, the District entered into a lease for copiers in fiscal year 2022 which is reflected in capital outlay expenditures.

Building Fund

The building fund is reported as a major fund and is used to account for receipts and expenditures involved in the construction and replacement of instructional facilities. This fund had revenues of $2,242,533 and expenditures of $10,755,226 in fiscal year 2022. In addition, the building fund reported other financing uses (transfers out) of $810,000, resulting in a net decrease in fund balance of $9,322,693. The building fund continued to make payments to contractors in fiscal year 2022 for work done on the District-wide building improvement projects, all of which are substantially complete as of June 30, 2022.

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 $73,472,348. This was decreased slightly to $73,197,311 in the final budget. Actual revenues and other financing sources were $67,643,197, or $5,554,114 less than the final budget, primarily due to lower than projected property tax collections.

General fund original and final budget appropriations (expenditures and other financing uses) were $71,632,879. The actual budget basis expenditures and other financing uses for fiscal year 2022 totaled $70,897,848, which is $735,031 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 2022, the District had $129,158,481 (net of accumulated depreciation/amortization) invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, computer software, and intangible right to use assets for leased equipment and buildings. This entire amount is reported in governmental activities.

The following table shows fiscal year 2022 balances compared to 2021:

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

	2022	2021
Land	$ 1,022,386	$ 1,022,386
Construction in progress (CIP)	-	58,477,761
Land improvements	6,274,966	4,417,880
Buildings and improvements	116,779,564	57,822,559
Furniture and equipment	2,981,881	3,029,854
Vehicles	775,005	1,101,064
Computer software	-	4,463
Intangible right to use - building	205,433	-
Intangible right to use - equipment	1,119,246	297,743
Total	$ 129,158,481	$ 126,173,710

The overall increase in capital assets is a result of capital asset additions of $10,211,163 exceeding depreciation/amortization expense of $6,568,968 and net disposals of $333,724. The District completed the district-wide construction projects in fiscal year 2022, with most of the costs being added to the land improvements and buildings and improvements asset classes. Other capital assets additions during the year include intangible right to use assets for leased equipment and a building.

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, 2022, the District had $87,261,056 in long-term debt obligations outstanding. Of this total, $3,005,524 is due within one year and $84,255,532 is due in greater than one year.

The following table summarizes the District's outstanding debt.

Outstanding Debt at June 30

	Governmental Activities 2022	Governmental Activities 2021
Energy Conservation Bonds	$ -	$ 240,000
Qualified School Construction Bonds	505,000	665,000
Certificates of Participation	12,060,000	13,455,000
School Improvement Bonds - Series 2018	73,045,000	74,705,000
Leases Payable	1,335,877	323,700
Notes Payable	315,179	227,218
Total	$ 87,261,056	$ 89,615,918

The District entered into a new lease agreement in fiscal year 2022 to acquire copiers, and also a financed purchase notes payable agreement to acquire laptops. Additionally, the District took advantage of lower available interest rates to refund its previously outstanding Certificates of Participation during the year. This will save the District $905,714 in interest costs over the next twelve years. 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 $30,652,740 at June 30, 2022. Fiscal year-end general fund cash balances were $33,890,181, $33,959,909, $33,624,513, and $35,140,285 at June 30 in fiscal years 2021, 2020, 2019, and 2018, 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 71.75% of all cash receipts for the general fund in fiscal year 2022. 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.

The voters of the District passed an additional 4.9 mill operating levy in May 2011. Collections on this levy began in calendar year 2012. The District's 1.5 mill permanent improvement tax levy was renewed in May 2017 for another five 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. State Foundation revenue for fiscal year 2023 is budgeted at approximately $10.8 million, or roughly the same amount compared to fiscal year 2022.

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, 2022

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 43,838,060	$ 1,356,219	$ 45,194,279
Receivables:			
Property taxes	56,718,200	-	56,718,200
Payment in lieu of taxes	460,000	-	460,000
Accrued interest	60,939	-	60,939
Intergovernmental	1,177,087	-	1,177,087
Prepayments	85,147	651	85,798
Materials and supplies inventory	1,512	-	1,512
Inventory held for resale	60,564	-	60,564
Net OPEB asset	5,503,614	14,264	5,517,878
Capital assets:			
Nondepreciable capital assets	1,022,386	-	1,022,386
Depreciable capital assets, net	128,136,095	-	128,136,095
Capital assets, net	129,158,481	-	129,158,481
Total assets	237,063,604	1,371,134	238,434,738
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,180,305	-	1,180,305
Pension	16,862,162	195,818	17,057,980
OPEB	1,949,473	69,666	2,019,139
Total deferred outflows of resources	19,991,940	265,484	20,257,424
Liabilities:			
Accounts payable	234,543	51,289	285,832
Contracts payable	1,772,872	-	1,772,872
Accrued wages and benefits payable	6,808,978	35,575	6,844,553
Intergovernmental payable	267,026	560	267,586
Pension obligation payable	1,072,419	10,509	1,082,928
Accrued interest payable	365,960	-	365,960
Claims payable	1,086,934	-	1,086,934
Long-term liabilities:			
Due within one year	3,445,220	26,287	3,471,507
Due in more than one year:			
Net pension liability	43,386,159	507,101	43,893,260
Net OPEB liability	5,295,368	222,478	5,517,846
Other amounts due in more than one year	92,082,514	17,490	92,100,004
Total liabilities	155,817,993	871,289	156,689,282
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	51,290,605	-	51,290,605
Payment in lieu of taxes levied for the next fiscal year	460,000	-	460,000
Pension	34,913,728	366,010	35,279,738
OPEB	9,760,908	236,821	9,997,729
Total deferred inflows of resources	96,425,241	602,831	97,028,072
Net position:			
Net investment in capital assets	40,514,922	-	40,514,922
Restricted for:			
Capital projects	5,764,598	-	5,764,598
Debt service	3,957,578	-	3,957,578
State funded programs	126,301	-	126,301
Federally funded programs	11,148	-	11,148
Food service operations	1,300,024	-	1,300,024
Student activities	469,200	-	469,200
Other purposes	159,715	-	159,715
Unrestricted (deficit)	(47,491,176)	162,498	(47,328,678)
Total net position	$ 4,812,310	$ 162,498	$ 4,974,808

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, 2022

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction:				
Regular	$ 35,816,224	$ 1,450,731	$ 2,607,696	$ 5,514
Special	10,372,613	177,682	2,495,303	-
Vocational	372,102	-	19,127	-
Other	1,079,359	5,988	9,000	-
Support services:				
Pupil	5,407,605	166,666	557,545	-
Instructional staff	2,321,176	176	85,910	-
Board of education	56,074	-	-	-
Administration	4,498,841	1,902	52,490	-
Fiscal	1,825,526	-	-	-
Business	539,384	-	-	-
Operations and maintenance	5,886,401	8,927	153,067	-
Pupil transportation	5,125,606	-	159,020	-
Central	797,782	-	-	-
Operation of non-instructional services:				
Food service operations	1,889,701	674,680	2,385,998	-
Other non-instructional services	283,326	121	279,230	-
Extracurricular activities	4,595,518	989,580	72,682	19,343
Interest and fiscal charges	3,423,921	-	-	-
Total governmental activities	84,291,159	3,476,453	8,877,068	24,857
Business-type activities:				
Community edcuation	1,307,380	1,547,845	-	-
Totals	$ 85,598,539	$ 5,024,298	$ 8,877,068	$ 24,857

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

Change in net position

Net position (deficit) 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
$ (31,752,283)	$ -	$ (31,752,283)
(7,699,628)	-	(7,699,628)
(352,975)	-	(352,975)
(1,064,371)	-	(1,064,371)
(4,683,394)	-	(4,683,394)
(2,235,090)	-	(2,235,090)
(56,074)	-	(56,074)
(4,444,449)	-	(4,444,449)
(1,825,526)	-	(1,825,526)
(539,384)	-	(539,384)
(5,724,407)	-	(5,724,407)
(4,966,586)	-	(4,966,586)
(797,782)	-	(797,782)
1,170,977	-	1,170,977
(3,975)	-	(3,975)
(3,513,913)	-	(3,513,913)
(3,423,921)	-	(3,423,921)
(71,912,781)	-	(71,912,781)
-	240,465	240,465
(71,912,781)	240,465	(71,672,316)
47,389,302	-	47,389,302
4,918,450	-	4,918,450
1,329,479	-	1,329,479
401,895	-	401,895
17,681,115	136,205	17,817,320
(465,074)	-	(465,074)
478,206	-	478,206
71,733,373	136,205	71,869,578
(179,408)	376,670	197,262
4,991,718	(214,172)	4,777,546
$ 4,812,310	$ 162,498	$ 4,974,808

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 30,652,740	$ 4,231,681	$ 7,587,393	$ 42,471,814
Receivables:				
Property taxes	50,178,739	-	6,539,461	56,718,200
Payment in lieu of taxes	460,000	-	-	460,000
Accrued interest	60,939	-	-	60,939
Intergovernmental	22,566	-	1,154,521	1,177,087
Prepayments	80,591	151	4,290	85,032
Materials and supplies inventory	-	-	1,512	1,512
Inventory held for resale	50,918	-	9,646	60,564
Due from other funds	853,905	-	-	853,905
Total assets	$ 82,360,398	$ 4,231,832	$ 15,296,823	$ 101,889,053
Liabilities:				
Accounts payable	$ 193,493	$ 850	$ 25,297	$ 219,640
Contracts payable	-	1,772,872	-	1,772,872
Accrued wages and benefits payable	6,454,025	4,424	350,529	6,808,978
Compensated absences payable	180,331	-	-	180,331
Intergovernmental payable	262,519	87	4,420	267,026
Pension obligation payable	1,008,150	3,200	61,069	1,072,419
Due to other funds	-	-	853,905	853,905
Claims payable	18,934	-	-	18,934
Total liabilities	8,117,452	1,781,433	1,295,220	11,194,105
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	45,349,284	-	5,941,321	51,290,605
Payment in lieu of taxes levied for the next fiscal year	460,000	-	-	460,000
Delinquent property tax revenue not available	907,981	-	94,908	1,002,889
Intergovernmental revenue not available	-	-	118,314	118,314
Accrued interest not available	48,550	-	-	48,550
Total deferred inflows of resources	46,765,815	-	6,154,543	52,920,358
Fund balances:				
Nonspendable:				
Materials and supplies inventory	50,918	-	1,512	52,430
Prepayments	80,591	151	4,290	85,032
Restricted:				
Debt service	-	-	4,314,169	4,314,169
Capital improvements	-	2,450,248	1,543,620	3,993,868
Food service operations	-	-	1,357,821	1,357,821
Non-public schools	-	-	101,578	101,578
State funded programs	-	-	24,723	24,723
Extracurricular activities	-	-	469,200	469,200
Other purposes	-	-	159,008	159,008
Assigned:				
Student instruction	297,055	-	-	297,055
Student and staff support	1,162,875	-	-	1,162,875
Rotary services	365,342	-	-	365,342
Other purposes	29,748	-	-	29,748
Unassigned (deficit)	25,490,602	-	(128,861)	25,361,741
Total fund balances	27,477,131	2,450,399	7,847,060	37,774,590
Total liabilities, deferred inflows and fund balances	$ 82,360,398	$ 4,231,832	$ 15,296,823	$ 101,889,053

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, 2022

Total governmental fund balances		$	37,774,590
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.			129,158,481
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	$ 1,002,889		
Accrued interest receivable	48,550		
Intergovernmental receivable	118,314		
Total			1,169,753
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.			283,458
Unamortized premiums on long-term debt are not recognized in the funds.			(4,146,842)
Unamortized amounts on refundings are not recognized in the funds.			1,180,305
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(365,960)
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	16,862,162		
Deferred inflows - pension	(34,913,728)		
Net pension liability	(43,386,159)		
Deferred outflows - OPEB	1,949,473		
Deferred inflows - OPEB	(9,760,908)		
Net OPEB asset	5,503,614		
Net OPEB liability	(5,295,368)		
Total			(69,040,914)
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	(73,550,000)		
Certificates of participation	(12,060,000)		
Leases payable	(1,335,877)		
Notes payable	(315,179)		
Compensated absences	(3,939,505)		
Total			(91,200,561)
Net position of governmental activities		$	4,812,310

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, 2022

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 47,406,762	$ -	$ 6,252,258	$ 53,659,020
Intergovernmental	16,696,942	2,225,516	7,293,632	26,216,090
Investment earnings	(505,750)	17,017	2,904	(485,829)
Tuition and fees	1,702,295	-	3,140	1,705,435
Extracurricular	400,487	-	681,146	1,081,633
Rental income	4,170	-	-	4,170
Charges for services	94	-	674,680	674,774
Contributions and donations	81,439	-	355,020	436,459
Payment in lieu of taxes	401,895	-	-	401,895
Miscellaneous	396,767	-	35,298	432,065
Total revenues	66,585,101	2,242,533	15,298,078	84,125,712
Expenditures:				
Current:				
Instruction:				
Regular	30,371,207	-	2,743,986	33,115,193
Special	9,520,982	-	1,592,831	11,113,813
Vocational	256,122	-	-	256,122
Other	1,070,359	-	9,000	1,079,359
Support services:				
Pupil	5,584,424	-	214,920	5,799,344
Instructional staff	2,240,831	-	104,487	2,345,318
Board of education	57,318	-	-	57,318
Administration	4,983,660	-	51,252	5,034,912
Fiscal	1,721,585	-	176,227	1,897,812
Business	618,588	-	-	618,588
Operations and maintenance	5,817,388	-	160,578	5,977,966
Pupil transportation	4,826,680	-	-	4,826,680
Central	857,333	-	-	857,333
Operation of non-instructional services:				
Food service operations	-	-	1,891,345	1,891,345
Other non-instructional services	203	-	283,123	283,326
Extracurricular activities	1,376,400	-	730,980	2,107,380
Facilities acquisition and construction	-	10,755,226	750,015	11,505,241
Capital outlay	1,655,850	-	-	1,655,850
Debt service:				
Principal retirement	1,026,784	-	1,739,593	2,766,377
Interest and fiscal charges	49,637	-	3,132,760	3,182,397
Debt issuance costs	-	-	234,865	234,865
Payment to refunded debt escrow agent	-	-	755,430	755,430
Total expenditures	72,035,351	10,755,226	14,571,392	97,361,969
Excess (deficiency) of revenues over (under) expenditures	(5,450,250)	(8,512,693)	726,686	(13,236,257)
Other financing sources (uses):				
Premium on bonds and notes	-	-	1,128,299	1,128,299
Issuance of refunding certificates of participation	-	-	12,060,000	12,060,000
Proceeds from sale of assets	37,580	-	5,847	43,427
Issuance of notes	474,365	-	-	474,365
Transfers in	-	-	1,880,000	1,880,000
Transfers (out)	(570,000)	(810,000)	(500,000)	(1,880,000)
Lease transaction	1,655,850	-	-	1,655,850
Payment to refunded debt escrow agent	-	-	(12,953,434)	(12,953,434)
Total other financing sources (uses)	1,597,795	(810,000)	1,620,712	2,408,507
Net change in fund balances	(3,852,455)	(9,322,693)	2,347,398	(10,827,750)
Fund balances at beginning of year	31,329,586	11,773,092	5,499,662	48,602,340
Fund balances at end of year	$ 27,477,131	$ 2,450,399	$ 7,847,060	$ 37,774,590

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, 2022

Net change in fund balances - total governmental funds		$ (10,827,750)
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	$ 10,211,163	
Current year depreciation/amortization	(6,568,968)	
Total		3,642,195
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(333,724)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Property taxes	(21,789)	
Earnings on investments	23,659	
Intergovernmental	(74,365)	
Total		(72,495)
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.		2,766,377
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.		(14,190,215)
Payment to refunded debt escrow agent for the refunding of debt is an other financing use or expenditure in the governmental funds but the payment reduces long-term liabilities on the statement of net position		13,708,864
Premiums on long-term debt are amortized over the life of the issuance in the statement of activities		(1,128,299)
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 additional interest being reported in the statement of activities:		
Increase in accrued interest payable	(78,029)	
Amortization of debt premiums	156,977	
Amortization of deferred charges on refunding	(85,607)	
Total		(6,659)
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	6,134,859	
OPEB	179,916	
Total		6,314,775
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	562,776	
OPEB	511,131	
Total		1,073,907
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.		153,148
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.		(1,279,532)
Change in net position of governmental activities		$ (179,408)

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, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	$ 53,378,969	$ 53,179,150	$ 48,250,897	$ (4,928,253)
Intergovernmental	17,575,179	17,509,388	16,684,646	(824,742)
Investment earnings	277,726	276,687	164,084	(112,603)
Tuition and fees	1,209,998	1,205,468	1,372,742	167,274
Extracurricular	253,953	253,002	288,874	35,872
Rental income	5,555	5,534	4,170	(1,364)
Contributions and donations	-	-	1,048	1,048
Payment in lieu of taxes	364,165	363,750	401,895	38,145
Miscellaneous	180,178	178,556	80,968	(97,588)
Total revenues	73,245,723	72,971,535	67,249,324	(5,722,211)
Expenditures:				
Current:				
Instruction:				
Regular	31,711,497	31,259,210	30,491,181	768,029
Special	9,299,683	9,181,291	9,340,644	(159,353)
Vocational	282,165	308,338	352,449	(44,111)
Other	1,648,633	1,428,700	1,136,067	292,633
Support services:				
Pupil	5,450,261	5,553,427	5,287,049	266,378
Instructional staff	2,730,462	2,642,749	2,292,001	350,748
Board of education	73,039	77,489	62,945	14,544
Administration	4,657,276	4,743,334	5,093,205	(349,871)
Fiscal	1,526,281	1,552,930	1,752,229	(199,299)
Business	735,510	731,578	584,651	146,927
Operations and maintenance	5,804,232	6,149,604	6,235,731	(86,127)
Pupil transportation	4,676,770	4,943,259	5,093,514	(150,255)
Central	750,193	792,345	890,216	(97,871)
Extracurricular activities	1,361,190	1,336,638	1,298,579	38,059
Debt service:				
Principal	400,000	400,000	400,000	-
Interest and fiscal charges	14,687	14,687	14,687	-
Total expenditures	71,121,879	71,115,579	70,325,148	790,431
Excess (deficiency) of revenues over (under) expenditures	2,123,844	1,855,956	(3,075,824)	(4,931,780)
Other financing sources (uses):				
Refund of prior year's expenditures	222,181	221,349	356,293	134,944
Refund of prior year's receipts	-	(6,300)	(2,700)	3,600
Transfers (out)	(511,000)	(511,000)	(570,000)	(59,000)
Sale of capital assets	4,444	4,427	37,580	33,153
Total other financing sources (uses)	(284,375)	(291,524)	(178,827)	112,697
Net change in fund balance	1,839,469	1,564,432	(3,254,651)	(4,819,083)
Fund balance at beginning of year	31,571,134	31,571,134	31,571,134	-
Prior year encumbrances appropriated	1,632,879	1,632,879	1,632,879	-
Fund balance at end of year	$ 35,043,482	$ 34,768,445	$ 29,949,362	$ (4,819,083)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	$ 1,356,219	$ 1,366,246
Prepayments	651	115
Total current assets	1,356,870	1,366,361
Noncurrent assets:		
Net OPEB asset	14,264	-
Total assets	1,371,134	1,366,361
Deferred outflows of resources:		
Pension	195,818	-
OPEB	69,666	-
Total deferred outflows of resources	265,484	-
Liabilities:		
Current liabilities:		
Accounts payable	51,289	14,903
Accrued wages and benefits payable	35,575	-
Compensated absences payable	26,287	-
Pension obligation payable	10,509	-
Intergovernmental payable	560	-
Claims payable	-	1,068,000
Total current liabilities	124,220	1,082,903
Noncurrent liabilities:		
Compensated absences payable	17,490	-
Net pension liability	507,101	-
Net OPEB liability	222,478	-
Total noncurrent liabilities	747,069	-
Total liabilities	871,289	1,082,903
Deferred inflows of resources:		
Pension	366,010	-
OPEB	236,821	-
Total deferred inflows of resources	602,831	-
Net position:		
Unrestricted	162,498	283,458
Total net position	$ 162,498	$ 283,458

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, 2022

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Operating revenues:		
Sales/charges for services	$ 1,547,845	$ 12,318,058
Total operating revenues	1,547,845	12,318,058
Operating expenses:		
Personal services	387,657	28,907
Purchased services	831,881	1,861,388
Materials and supplies	68,798	19,863
Other	19,044	-
Claims	-	11,687,432
Total operating expenses	1,307,380	13,597,590
Operating income (loss)	240,465	(1,279,532)
Nonoperating revenues:		
Grants	136,205	-
Total nonoperating revenues	136,205	-
Change in net position	376,670	(1,279,532)
Net position (deficit) at beginning of year	(214,172)	1,562,990
Net position at end of year	$ 162,498	$ 283,458

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, 2022

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from sales/charges for services	$ 1,547,845	$ 12,318,058
Cash payments for personal services	(554,878)	(28,950)
Cash payments for contractual services	(852,508)	(1,855,766)
Cash payments for materials and supplies	(63,621)	(19,863)
Cash payments for other expenses	(18,500)	-
Cash payments for claims	-	(11,541,432)
Net cash provided by (used in) operating activities	58,338	(1,127,953)
Cash flows from noncapital financing activities:		
Cash received from grants	136,205	-
Net cash provided by noncapital financing activities	136,205	-
Net increase (decrease) in cash and investments	194,543	(1,127,953)
Cash and investments at beginning of year	1,161,676	2,494,199
Cash and investments at end of year	$ 1,356,219	$ 1,366,246
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 240,465	$ (1,279,532)
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Prepayments	(163)	(43)
Net OPEB asset	(7,507)	-
Deferred outflows - pension	(83,371)	-
Deferred outflows - OPEB	(15,731)	-
Accounts payable	(14,906)	5,622
Accrued wages and benefits payable	(15,112)	-
Intergovernmental payable	(154)	-
Compensated absences payable	7,039	-
Pension obligation payable	(272)	-
Claims payable	-	146,000
Net pension liability	(275,114)	-
Net OPEB liability	(12,375)	-
Deferred inflows - pension	228,109	-
Deferred inflows - OPEB	7,430	-
Net cash provided by (used in) operating activities	$ 58,338	$ (1,127,953)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

		Custodial
Assets:		
Equity in pooled cash and investments	$	357,856
Due from other governments		92,876
Prepayments		297
Total assets		451,029
Liabilities:		
Accounts payable		46,056
Accrued wages and benefits payable		4,807
Due to other governments		330
Pension obligation payable		3,601
Total liabilities		54,794
Net position:		
Restricted for individuals, organizations and other governments		396,235
Total net position	$	396,235

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, 2022

	Custodial
Additions:	
Amounts received as fiscal agent	$ 866,735
Deductions:	
Distributions as fiscal agent	771,062
Change in net position	95,673
Net position at beginning of year	300,562
Net position at end of year	$ 396,235

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 284 non-certified and 403 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 are the District's major governmental funds:

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.

Building fund - This fund is used to account for receipts and expenditures involved in the construction and replacement of instructional facilities. Expenditures in this fund represent the costs of acquiring and improving capital facilities.

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, represents 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 Note 11 and Note 12 for deferred outflows of resources related the District's net pension liability 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. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 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. For the District 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 Note 11 and Note 12 for deferred inflows of resources related to the District's net pension liability 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 2020.

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 2022, 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, municipal bonds, 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. The District's investment in 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 and is recognized as an external investment pool by the District. 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 a NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. 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 2022, including change in fair value of investments, amounted to $(505,750), which includes $(115,128) 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, 2022 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 are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. The District is reporting intangible right to use assets for leased buildings and equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease 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
Intangible right to use - buildings	5 years
Intangible right to use - equipment	5 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 2022.

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

For fiscal year 2022, the District has implemented GASB Statement No. 87, "*Leases*", GASB Implementation Guide 2019-3, "*Leases*", GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*", GASB Implementation Guide 2020-1, "*Implementation Guide Update - 2020*", GASB Statement No. 92, "*Omnibus 2020*", GASB Statement No. 93, "*Replacement of Interbank Offered Rates*", GASB Statement No. 97, " *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*" and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

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, 2022 included the following individual fund deficits:

Nonmajor funds	Deficit
Elementary and Secondary School Emergency Relief	$ 24,374
IDEA Part B	87,019
Title III	927
Title I	10,873
EHA Preschool Grant	1,723
Supporting Effective Instruction	736

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.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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;

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".

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was $12,273,257 and the bank balance was $12,653,923. Of the bank balance, $250,000 was covered by the FDIC, $6,836,198 was covered by OPCS and $5,567,725 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.

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 2022, the District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

C. Investments

As of June 30, 2022, 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	$ 2,912,541	$ 2,912,541	$ -	$ -
U.S. Treasury notes	573,853	-	327,847	246,006
Municipal bonds	398,376	398,376	-	-
Negotiable CDs	3,853,620	1,726,475	724,295	1,402,850
U.S. Government agency securities	12,082,806	-	6,757,835	5,324,971
U.S. Government money market	55,852	55,852	-	-
Amortized cost:				
STAR Ohio	13,400,530	13,400,530	-	-
Total	$ 33,277,578	$ 18,493,774	$ 7,809,977	$ 6,973,827

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 1.08 years, or approximately 393 days.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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. The municipal bonds are rated SP1+ by Standard & Poor's. 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.

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, 2022:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
Commercial paper	$ 2,912,541	8.75
U.S. Treasury notes	573,853	1.72
Municipal bonds	398,376	1.20
Negotiable CDs	3,853,620	11.58
U.S. Government agency securities	12,082,806	36.31
U.S. Government money market	55,852	0.17
Amortized cost:		
STAR Ohio	13,400,530	40.27
Total	$ 33,277,578	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, 2022:

Cash and investments per note	
Carrying amount of deposits	$ 12,273,257
Investments	33,277,578
Cash on hand	1,300
Total	$ 45,552,135
Cash and investments per statement of net position	
Governmental activities	$ 43,838,060
Business type activities	1,356,219
Custodial funds	357,856
Total	$ 45,552,135

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2022, 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	$ 853,905

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, 2022 are reported on the statement of net position.

B. Interfund transfers for the fiscal year ended June 30, 2022, consisted of the following, as reported on the fund statements:

Transfers from:	Transfers to:	Amount
General fund	Building fund	$ 500,000
General fund	Nonmajor governmental funds	70,000
Building fund	Nonmajor governmental funds	1,310,000
Total		$ 1,880,000

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. 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 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed values as of January 1, 2021, 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 2022 represent the collection of calendar year 2021 taxes. Public utility real and personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021, 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.

NOTE 5 - PROPERTY TAXES - (Continued)

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, 2022, are available to finance fiscal year 2022 operations. 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 (a nonmajor governmental fund), and $116,009 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2021 was $4,765,609 in the general fund, $480,844 in the bond retirement fund, and $141,538 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, 2022 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.

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 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 1,257,545,040	98.03	$ 1,266,660,770	98.02
Public utility personal	25,271,550	1.97	25,638,730	1.98
Total	$ 1,282,816,590	100.00	$ 1,292,299,500	100.00
Tax rate per $1,000 of assessed valuation for:				
General operations	$ 86.93		$ 86.93	
Debt service	4.00		3.95	
Permanent improvement	1.50		1.50	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2021, 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, 2022 was as follows:

	Balance 07/01/21	Additions	Deductions	Balance 06/30/22
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,022,386	$ -	$ -	$ 1,022,386
Construction in progress	58,477,761	11,054,140	(69,531,901)	-
Total capital assets, not being depreciated/amortized	59,500,147	11,054,140	(69,531,901)	1,022,386
Capital assets, being depreciated/amortized:				
Land improvements	7,153,610	3,854,424	-	11,008,034
Buildings and improvements	96,264,152	62,776,869	-	159,041,021
Furniture and equipment	13,882,217	141,413	(7,620,359)	6,403,271
Vehicles	5,663,185	260,368	(2,882,219)	3,041,334
Computer software	390,819	-	-	390,819
Intangible right to use - leased building	-	256,792	-	256,792
Intangible right to use - leased equipment	1,190,970	1,399,058	(1,190,970)	1,399,058
Total capital assets, being depreciated/amortized	124,544,953	68,688,924	(11,693,548)	181,540,329
Less: accumulated depreciation/amortization				
Land improvements	(2,735,730)	(1,997,338)	-	(4,733,068)
Buildings and improvements	(38,441,593)	(3,819,864)	-	(42,261,457)
Furniture and equipment	(10,852,363)	(189,386)	7,620,359	(3,421,390)
Vehicles	(4,562,121)	(226,746)	2,522,538	(2,266,329)
Computer software	(386,356)	(4,463)	-	(390,819)
Intangible right to use - leased building	-	(51,359)	-	(51,359)
Intangible right to use - leased equipment	(893,227)	(279,812)	893,227	(279,812)
Total accumulated depreciation/amortization	(57,871,390)	(6,568,968)	11,036,124	(53,404,234)
Total capital assets, being depreciated/amortized, net	66,673,563	62,119,956	(657,424)	128,136,095
Governmental activities capital assets, net	$ 126,173,710	$ 73,174,096	$(70,189,325)	$ 129,158,481

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Instruction:	
Regular	$ 3,718,445
Special	123,614
Vocational	95,732
Support services:	
Pupil	46,721
Instructional staff	165,075
Administration	96,114
Fiscal	11,558
Business	3,216
Operations and maintenance	222,075
Pupil transportation	206,374
Central	4,463
Extracurricular activities	1,824,622
Food service operations	50,959
Total	$ 6,568,968

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 that are attributable to the acquisition of capital assets are included below.

Capital assets, net	$ 129,158,481
Less capital-related debt:	
Certificates of participation	(12,060,000)
Qualified school construction bonds	(505,000)
School improvement bonds	(73,045,000)
Leases payable	(1,335,877)
Unamortized premium on debt issuances	(1,105,115)
Capital assets on account	(1,772,872)
Add: deferred outflows of resources - unamortized deferred charges on debt refunding	1,180,305
Net investment in capital assets	$ 40,514,922

NOTE 8 - LONG-TERM OBLIGATIONS

A. During fiscal year 2022, the following changes occurred in the District's long-term obligations.

	Balance Outstanding 06/30/21	Additions	Deletions	Balance Outstanding 06/30/22	Amount Due in One Year
Governmental activities:					
Certificates of participation:					
Series 2012 refunding	$ 13,455,000	$ -	$ (13,455,000)	$ -	$ -
Series 2022 refunding	-	12,060,000	-	12,060,000	665,000
General obligation bonds:					
Energy conservation bonds	240,000	-	(240,000)	-	-
Qualified school construction bonds	665,000	-	(160,000)	505,000	165,000
School improvement bonds	74,705,000	-	(1,660,000)	73,045,000	1,695,000
Total bonds and certificates of participation	89,065,000	12,060,000	(15,515,000)	85,610,000	2,525,000
Leases payable	323,700	1,655,850	(643,673)	1,335,877	323,731
Notes payable	227,218	474,365	(386,404)	315,179	156,793
Compensated absences	4,232,419	329,458	(442,041)	4,119,836	439,696
Net pension liability	81,133,084	-	(37,746,925)	43,386,159	-
Net OPEB liability	6,264,055	-	(968,687)	5,295,368	-
Total, governmental activities	181,245,476	14,519,673	(55,702,730)	140,062,419	3,445,220
Unamortized premiums	3,211,367	1,128,299	(192,824)	4,146,842	-
Total on statement of net position	$ 184,456,843	$ 15,647,972	$ (55,895,554)	$ 144,209,261	$ 3,445,220

	Balance Outstanding 06/30/21	Additions	Deletions	Balance Outstanding 06/30/22	Amount Due in One Year
Business-type activities:					
Compensated absences	$ 36,738	$ 32,437	$ (25,398)	$ 43,777	$ 26,287
Net pension liability	782,215	-	(275,114)	507,101	-
Net OPEB liability	234,853	-	(12,375)	222,478	-
Total, business-type activities	$ 1,053,806	$ 32,437	$ (312,887)	$ 773,356	$ 26,287

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 2012 Refunding

The refunding certificates of participation (COPs) were issued on July 10, 2012 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 $13,570,000, and term COPs, par value $5,155,000. The refunding COPs range in interest rates from 2.0% - 4.0% and the final maturity date stated in the issue is June 1, 2034. The remaining COPs in this issuance were refunded in fiscal year 2022.

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 itnerst 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 in 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.

Energy Conservation Bonds

The energy conservation bonds were issued during fiscal year 2010 in the amount of $2,440,000. The proceeds were used to finance improvements throughout the District for the purpose of reducing future energy costs. These improvements are not capital in nature and were not added to the District's capital assets; therefore, the bonds are not included in the District's net investment in capital assets. The bonds bear an interest rate ranging from 2.5% to 5% and matured on December 1, 2021. Debt payments are made from the general fund from the savings on energy costs resulting from the improvements.

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.

Leases Payable

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.

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Notes Payable

On July 15, 2021, the District entered into a financed purchase agreement with Apple Inc. 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. Payments 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, 2022, are as follows:

Fiscal Year	Certificates of Participation		
Ending June 30,	Principal	Interest	Total
2023	$ 665,000	$ 557,440	$ 1,222,440
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 - 2032	5,405,000	1,193,600	6,598,600
2033 - 2034	2,610,000	158,000	2,768,000
Total	$ 12,060,000	$ 3,538,840	$ 15,598,840

C. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2022, are as follows:

Fiscal Year	School Improvement Bonds			Qualified School Construction Bonds		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 1,695,000	$ 2,839,063	$ 4,534,063	$ 165,000	$ 7,140	$ 172,140
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 - 2032	10,780,000	11,730,190	22,510,190	-	-	-
2033 - 2037	13,255,000	9,233,690	22,488,690	-	-	-
2038 - 2042	16,125,000	6,304,690	22,429,690	-	-	-
2043 - 2047	19,625,000	2,748,240	22,373,240	-	-	-
2048	4,390,000	79,569	4,469,569	-	-	-
Total	$ 73,045,000	$ 43,847,331	$ 116,892,331	$ 505,000	$ 12,886	$ 517,886

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

D. Principal and interest requirements to retire the leases and notes payable at June 30, 2022, are as follows:

Fiscal Year	Leases Payable			Notes Payable		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 323,731	$ 24,473	$ 348,204	$ 156,793	$ 4,856	$ 161,649
2024	330,462	17,742	348,204	158,386	3,263	161,649
2025	337,334	10,870	348,204	-	-	-
2026	344,350	3,854	348,204	-	-	-
Total	$ 1,335,877	$ 56,939	$ 1,392,816	$ 315,179	$ 8,119	$ 323,298

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, 2022, are a voted debt margin of $47,071,124 (including available funds of $4,314,169) and an unvoted debt margin of $73,550,000.

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 both certified and classified 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. 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.

NOTE 10 - RISK MANAGEMENT - (Continued)

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 $1,923 per month for certified, classified and administrative employees. Single coverage full-time costs are $877 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 $57 and $109 per month under the Low and High plans, respectively, for family coverage and $19 and $39 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 $74 for family coverage and $3 to $27 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.

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.

NOTE 10 - RISK MANAGEMENT - (Continued)

The claims liability of $1,068,000 reported in the internal service fund at June 30, 2022, 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
2022	$ 922,000	$ 11,687,432	$ (11,541,432)	$ 1,068,000
2021	756,341	9,924,631	(9,758,972)	922,000

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 2022. 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
2022	$ 54,171	$ (11,421)	$ (23,816)	$ 18,934
2021	87,764	34,576	(68,169)	54,171

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/asset 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 13 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 on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District 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 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

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, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $1,464,331 for fiscal year 2022. Of this amount, $81,095 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. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year 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, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any 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. Investment allocation decisions are determined by the member. 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 must have at least ten years of qualifying service credit that 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 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $4,741,828 for fiscal year 2022. Of this amount, $773,800 is reported as a liability.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2021, 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 projected contributions of all participating entities.

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.28834221%	0.25972306%	
Proportion of the net pension liability current measurement date	0.28272322%	0.26170702%	
Change in proportionate share	-0.00561899%	0.00198396%	
Proportionate share of the net pension liability	$ 10,431,666	$ 33,461,594	$ 43,893,260
Pension expense	$ (443,630)	$ (188,877)	$ (632,507)

At June 30, 2022, 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	$ 1,007	$ 1,033,801	$ 1,034,808
Changes of assumptions	219,660	9,282,846	9,502,506
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	36,702	277,805	314,507
Contributions subsequent to the measurement date	1,464,331	4,741,828	6,206,159
Total deferred outflows of resources	$ 1,721,700	$ 15,336,280	$ 17,057,980

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 270,536	$ 209,735	$ 480,271
Net difference between projected and actual earnings on pension plan investments	5,372,614	28,837,487	34,210,101
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	358,618	230,748	589,366
Total deferred inflows of resources	$ 6,001,768	$ 29,277,970	$ 35,279,738

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

$6,206,159 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, 2023.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (1,561,373)	$ (4,633,198)	$ (6,194,571)
2024	(1,256,546)	(4,036,599)	(5,293,145)
2025	(1,277,413)	(4,349,805)	(5,627,218)
2026	(1,649,067)	(5,663,916)	(7,312,983)
Total	$ (5,744,399)	$ (18,683,518)	$ (24,427,917)

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.

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, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, 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, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

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 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
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	$ 17,355,732	$ 10,431,666	$ 4,592,301

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, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, 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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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, 2021. 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, 2021.

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, 2021, 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	$ 62,661,043	$ 33,461,594	$ 8,788,123

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the 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.

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.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2022, 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 2022, 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 2022, the District's surcharge obligation was $187,475.

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 $187,478 for fiscal year 2022 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, 2022, 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, 2021, 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	0.29903036%	0.25972306%	
Proportion of the net OPEB liability/asset current measurement date	0.29155121%	0.26170702%	
Change in proportionate share	-0.00747915%	0.00198396%	
Proportionate share of the net OPEB liability	$ 5,517,846	$ -	$ 5,517,846
Proportionate share of the net OPEB (asset)	$ -	$ (5,517,878)	$ (5,517,878)
OPEB expense	$ (134,701)	$ (398,643)	$ (533,344)

At June 30, 2022, 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	$ 58,816	$ 196,478	$ 255,294
Changes of assumptions	865,618	352,455	1,218,073
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	241,328	116,969	358,297
Contributions subsequent to the measurement date	187,475	-	187,475
Total deferred outflows of resources	$ 1,353,237	$ 665,902	$ 2,019,139

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,748,136	$ 1,010,979	$ 3,759,115
Net difference between projected and actual earnings on OPEB plan investments	119,876	1,529,461	1,649,337
Changes of assumptions	755,625	3,291,823	4,047,448
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	507,986	33,843	541,829
Total deferred inflows of resources	$ 4,131,623	$ 5,866,106	$ 9,997,729

$187,475 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, 2023.

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:			
2023	$ (686,379)	$ (1,492,590)	$ (2,178,969)
2024	(687,217)	(1,454,314)	(2,141,531)
2025	(637,649)	(1,418,235)	(2,055,884)
2026	(540,306)	(635,175)	(1,175,481)
2027	(304,485)	(209,091)	(513,576)
Thereafter	(109,825)	9,201	(100,624)
Total	$ (2,965,861)	$ (5,200,204)	$ (8,166,065)

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.

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, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, 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, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

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 five-year experience study. The most recent study covers fiscal years 2015 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 log-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, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. 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, 2020 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 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

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 (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% 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	$ 6,837,278	$ 5,517,846	$ 4,463,789

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 4,248,289	$ 5,517,846	$ 7,213,583

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, 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%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date - 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.

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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' 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 asset was 7.00% as of June 30, 2021. 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 these 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, 2021. 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, 2021.

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, 2021, 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.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 4,656,236	$ 5,517,878	$ 6,237,651

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 6,208,486	$ 5,517,878	$ 4,663,878

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, 2022, 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, 2022 Foundation funding for the District. This resulted in an amount owed from ODE to the District which is reported as a receivable.

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.

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, 2021	$ -
Current year set-aside requirement	793,641
Current year offsets	(1,515,974)
Total	$ (722,333)
Balance carried forward to fiscal year 2023	$ -
Set-aside balance June 30, 2022	$ -

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.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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).

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	$ (3,254,651)
Net adjustment for revenue accruals	(1,501,673)
Net adjustment for expenditure accruals	(2,304,147)
Net adjustment for other sources/uses	1,776,622
Funds budgeted elsewhere	23,905
Adjustment for encumbrances	1,407,489
GAAP basis	$ (3,852,455)

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.

NOTE 16 - COOPERATIVE AGREEMENT - (Continued)

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 $2,225,516 from the City of Hudson during fiscal year 2022 as a result of this agreement. This revenue is reported in the building fund.

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 fund	$ 1,230,949
Building fund	616,705
Nonmajor governmental funds	1,118,578
Total	$ 2,966,232

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 2022. The District received $401,895 as compensation for the foregone taxes, which is recorded as payment in lieu of taxes revenue in the general fund.

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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 NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.28272322%	0.28834221%	0.29541091%	0.28519554%
District's proportionate share of the net pension liability	$ 10,431,666	$ 19,071,560	$ 17,674,953	$ 16,333,677
District's covered payroll	$ 9,723,436	$ 10,131,943	$ 10,138,222	$ 9,670,867
District's proportionate share of the net pension liability as a percentage of its covered payroll	107.28%	188.23%	174.34%	168.90%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 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

2018	2017	2016	2015	2014
0.29791068%	0.30361027%	0.30686400%	0.30701700%	0.30701700%
$ 17,799,504	$ 22,221,471	$ 17,509,957	$ 15,537,956	$ 18,257,316
$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306	$ 7,335,853
187.30%	234.47%	189.54%	174.17%	248.88%
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 NINE FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net pension liability	0.26170702%	0.25972306%	0.26030856%	0.25987515%
District's proportionate share of the net pension liability	$ 33,461,594	$ 62,843,739	$ 57,565,674	$ 57,140,711
District's covered payroll	$ 32,517,707	$ 31,407,457	$ 30,750,714	$ 30,104,143
District's proportionate share of the net pension liability as a percentage of its covered payroll	102.90%	200.09%	187.20%	189.81%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 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

2018	2017	2016	2015	2014
0.25609999%	0.25761786%	0.26310210%	0.26831696%	0.26831696%
$ 60,837,103	$ 86,232,462	$ 72,713,725	$ 65,263,971	$ 77,742,015
$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577	$ 28,446,892
216.36%	315.80%	261.74%	238.06%	273.29%
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

	2022	2021	2020	2019
Contractually required contribution	$ 1,464,331	$ 1,361,281	$ 1,418,472	$ 1,368,660
Contributions in relation to the contractually required contribution	(1,464,331)	(1,361,281)	(1,418,472)	(1,368,660)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,459,507	$ 9,723,436	$ 10,131,943	$ 10,138,222
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 1,305,567	$ 1,330,445	$ 1,326,840	$ 1,217,596	$ 1,236,493	$ 1,015,282
(1,305,567)	(1,330,445)	(1,326,840)	(1,217,596)	(1,236,493)	(1,015,282)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306	$ 7,335,853
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

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

	2022	2021	2020	2019
Contractually required contribution	$ 4,741,828	$ 4,552,479	$ 4,397,044	$ 4,305,100
Contributions in relation to the contractually required contribution	(4,741,828)	(4,552,479)	(4,397,044)	(4,305,100)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 33,870,200	$ 32,517,707	$ 31,407,457	$ 30,750,714
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 4,214,580	$ 3,936,656	$ 3,822,849	$ 3,889,394	$ 3,563,895	$ 3,698,096
(4,214,580)	(3,936,656)	(3,822,849)	(3,889,394)	(3,563,895)	(3,698,096)
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577	$ 28,446,892
14.00%	14.00%	14.00%	14.00%	13.00%	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 SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability	0.29155121%	0.29903036%	0.30203100%	0.28908086%
District's proportionate share of the net OPEB liability	$ 5,517,846	$ 6,498,908	$ 7,595,445	$ 8,019,884
District's covered payroll	$ 9,723,436	$ 10,131,943	$ 10,138,222	$ 9,670,867
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.75%	64.14%	74.92%	82.93%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

2018	2017
0.30216347%	0.30907880%
$ 8,109,274	$ 8,809,889
$ 9,503,179	$ 9,477,429
85.33%	92.96%
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 SIX FISCAL YEARS

	2022	2021	2020	2019
District's proportion of the net OPEB liability/asset	0.26170702%	0.25972306%	0.26030856%	0.25987515%
District's proportionate share of the net OPEB liability/(asset)	$ (5,517,878)	$ (4,564,632)	$ (4,311,334)	$ (4,175,928)
District's covered payroll	$ 32,517,707	$ 31,407,457	$ 30,750,714	$ 30,104,143
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.97%	14.53%	14.02%	13.87%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

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

2018	2017
0.25609999%	0.25926828%
$ 9,992,076	$ 13,865,735
$ 28,118,971	$ 27,306,064
35.53%	50.78%
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

	2022	2021	2020	2019
Contractually required contribution	$ 187,475	$ 187,391	$ 191,180	$ 231,742
Contributions in relation to the contractually required contribution	(187,475)	(187,391)	(191,180)	(231,742)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 10,459,507	$ 9,723,436	$ 10,131,943	$ 10,138,222
Contributions as a percentage of covered payroll	1.79%	1.93%	1.89%	2.29%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ 203,392	$ 164,889	$ 155,709	$ 230,709	$ 164,656	$ 142,798
(203,392)	(164,889)	(155,709)	(230,709)	(164,656)	(142,798)
$ -	$ -	$ -	$ -	$ -	$ -
$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306	$ 7,335,853
2.10%	1.74%	1.64%	2.50%	1.85%	1.95%

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

	2022	2021	2020	2019
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 33,870,200	$ 32,517,707	$ 31,407,457	$ 30,750,714
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
$ -	$ -	$ -	$ -	$ 279,199	$ 284,469
-	-	-	-	(279,199)	(284,469)
$ -	$ -	$ -	$ -	$ -	$ -
$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577	$ 28,446,892
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 years 2014-2017.
- 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%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- 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%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- 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 Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- 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.

(Continued)

PENSION (CONTINUED)

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- 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%.

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 years 2014-2022.

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) 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%.
- 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 Weight Below Median Healthy Retiree mortality table.

(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.

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.
- 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.

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Rotary			
Total Revenues and Other Financing Sources	$ 440,000	$ 579,596	$ 139,596
Total Expenditures and Other Financing Uses	592,616	504,600	88,016
Net Change in Fund Balance	(152,616)	74,996	227,612
Fund Balance, July 1	280,360	280,360	-
Prior Year Encumbrances Appropriated	17,616	17,616	-
Fund Balance, June 30	$ 145,360	$ 372,972	$ 227,612
Public School Support			
Total Revenues and Other Financing Sources	$ 350,000	$ 241,176	$ (108,824)
Total Expenditures and Other Financing Uses	591,415	373,220	218,195
Net Change in Fund Balance	(241,415)	(132,044)	109,371
Fund Balance, July 1	345,612	345,612	-
Prior Year Encumbrances Appropriated	20,647	20,647	-
Fund Balance, June 30	$ 124,844	$ 234,215	$ 109,371
Special Trust			
Total Revenues and Other Financing Sources	$ 15,685	$ 16,912	$ 1,227
Total Expenditures and Other Financing Uses	33,489	15,069	18,420
Net Change in Fund Balance	(17,804)	1,843	19,647
Fund Balance, July 1	26,632	26,632	-
Prior Year Encumbrances Appropriated	1,072	1,072	-
Fund Balance, June 30	$ 9,900	$ 29,547	$ 19,647

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS
MAJOR CAPITAL PROJECTS FUND

Building - This fund is used to account for the receipts and expenditures involved in the construction and replacement of instructional facilities. Expenditures recorded here represent the costs of acquiring and improving capital facilities.

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Building			
Total Revenues and Other Financing Sources	$ 2,750,000	$ 3,654,870	$ 904,870
Total Expenditures and Other Financing Uses	14,933,745	14,715,825	217,920
Net Change in Fund Balance	(12,183,745)	(11,060,955)	1,122,790
Fund Balance, July 1	5,487,366	5,487,366	-
Prior Year Encumbrances Appropriated	7,433,745	7,433,745	-
Fund Balance, June 30	$ 737,366	$ 1,860,156	$ 1,122,790

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.

Student Wellness and Success - This fund accounts for a State grant used to support students' academic achievement through mental health counseling, wraparound services, mentoring and after-school programs.

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 FUND

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).

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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 2,227,403	$ 3,926,946	$ 1,433,044	$ 7,587,393
Receivables:				
Property taxes	-	5,136,514	1,402,947	6,539,461
Intergovernmental	1,154,521	-	-	1,154,521
Prepayments	4,290	-	-	4,290
Materials and supplies inventory	1,512	-	-	1,512
Inventory held for resale	9,646	-	-	9,646
Total assets	$ 3,397,372	$ 9,063,460	$ 2,835,991	$ 15,296,823
Liabilities:				
Accounts payable	$ 19,864	$ -	$ 5,433	$ 25,297
Accrued wages and benefits payable	350,529	-	-	350,529
Intergovernmental payable	4,420	-	-	4,420
Pension obligation payable	61,069	-	-	61,069
Due to other funds	853,905	-	-	853,905
Total liabilities	1,289,787	-	5,433	1,295,220
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	4,676,762	1,264,559	5,941,321
Delinquent property tax revenue not available	-	72,529	22,379	94,908
Intergovernmental revenue not available	118,314	-	-	118,314
Total deferred inflows of resources	118,314	4,749,291	1,286,938	6,154,543
Fund balances:				
Nonspendable:				
Materials and supplies inventory	1,512	-	-	1,512
Prepayments	4,290	-	-	4,290
Restricted:				
Debt service	-	4,314,169	-	4,314,169
Capital improvements	-	-	1,543,620	1,543,620
Food service operations	1,357,821	-	-	1,357,821
Non-public schools	101,578	-	-	101,578
State funded programs	24,723	-	-	24,723
Extracurricular activities	469,200	-	-	469,200
Other purposes	159,008	-	-	159,008
Unassigned (deficit)	(128,861)	-	-	(128,861)
Total fund balances	1,989,271	4,314,169	1,543,620	7,847,060
Total liabilities, deferred inflows of resources and fund balances	$ 3,397,372	$ 9,063,460	$ 2,835,991	$ 15,296,823

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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	$ -	$ 4,922,311	$ 1,329,947	$ 6,252,258
Intergovernmental	7,102,443	30,691	160,498	7,293,632
Investment earnings	2,904	-	-	2,904
Tuition and fees	3,140	-	-	3,140
Extracurricular	681,146	-	-	681,146
Charges for services	674,680	-	-	674,680
Contributions and donations	355,020	-	-	355,020
Miscellaneous	10,441	-	24,857	35,298
Total revenues	8,829,774	4,953,002	1,515,302	15,298,078
Expenditures:				
Current:				
Instruction:				
Regular	2,536,211	-	207,775	2,743,986
Special	1,592,831	-	-	1,592,831
Other	9,000	-	-	9,000
Support services:				
Pupil	214,920	-	-	214,920
Instructional staff	104,487	-	-	104,487
Administration	51,252	-	-	51,252
Fiscal	-	151,499	24,728	176,227
Operations and maintenance	160,578	-	-	160,578
Operation of non-instructional services:				
Food service operations	1,891,345	-	-	1,891,345
Other non-instructional services	283,123	-	-	283,123
Extracurricular activities	730,980	-	-	730,980
Facilities acquisition and construction	23,679	-	726,336	750,015
Debt service:				
Principal retirement	-	1,660,000	79,593	1,739,593
Interest and fiscal charges	-	3,131,529	1,231	3,132,760
Debt issuance costs	-	234,865	-	234,865
Payment to refunded debt escrow agent	-	755,430	-	755,430
Total expenditures	7,598,406	5,933,323	1,039,663	14,571,392
Excess (deficiency) of revenues over (under) expenditures	1,231,368	(980,321)	475,639	726,686
Other financing sources (uses):				
Premium on debt issuance	-	1,128,299	-	1,128,299
Refunding certificates of participation issued	-	12,060,000	-	12,060,000
Proceeds from sale of assets	5,847	-	-	5,847
Transfers in	70,000	1,310,000	500,000	1,880,000
Transfers (out)	-	-	(500,000)	(500,000)
Payment to refunded debt escrow agent	-	(12,953,434)	-	(12,953,434)
Total other financing sources (uses)	75,847	1,544,865	-	1,620,712
Net change in fund balances	1,307,215	564,544	475,639	2,347,398
Fund balances at beginning of year	682,056	3,749,625	1,067,981	5,499,662
Fund balances at end of year	$ 1,989,271	$ 4,314,169	$ 1,543,620	$ 7,847,060

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services	Other State Grants
Assets:					
Equity in pooled cash and investments	$ 144,294	$ 82,977	$ 390,778	$ 103,720	$ 24,723
Receivables:					
Intergovernmental	-	-	-	-	-
Prepayments	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 144,294	$ 82,977	$ 390,778	$ 103,720	$ 24,723
Liabilities:					
Accounts payable	$ -	$ -	$ 4,358	$ 2,142	$ -
Accrued wages and benefits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Pension obligations payable	-	-	197	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	4,555	2,142	-
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	-	-	-	-	-
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	101,578	-
State funded programs	-	-	-	-	24,723
Extracurricular activities	-	82,977	386,223	-	-
Other purposes	144,294	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	144,294	82,977	386,223	101,578	24,723
Total liabilities, deferred inflows of resources and fund balances	$ 144,294	$ 82,977	$ 390,778	$ 103,720	$ 24,723

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2022

	Elementary and Secondary School Emergency Relief	IDEA Part B	Title III	Title I	EHA Preschool Grant
Assets:					
Equity in pooled cash and investments	$ -	$ -	$ -	$ -	$ -
Receivables:					
Intergovernmental	772,354	304,354	4,485	42,272	4,763
Prepayments	975	1,874	22	302	36
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 773,329	$ 306,228	$ 4,507	$ 42,574	$ 4,799
Liabilities:					
Accounts payable	$ 10,314	$ -	$ -	$ -	$ -
Accrued wages and benefits payable	90,105	131,990	1,630	22,350	2,748
Intergovernmental payable	1,801	1,642	24	-	-
Pension obligations payable	16,782	21,278	250	-	385
Due to other funds	653,352	171,224	2,391	19,115	2,062
Total liabilities	772,354	326,134	4,295	41,465	5,195
Deferred inflows of resources:					
Intergovernmental revenue not available	25,349	67,113	1,139	11,982	1,327
Total deferred inflows of resources	25,349	67,113	1,139	11,982	1,327
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	975	1,874	22	302	36
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	-	-
State funded programs	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned (deficit)	(25,349)	(88,893)	(949)	(11,175)	(1,759)
Total fund balances (deficits)	(24,374)	(87,019)	(927)	(10,873)	(1,723)
Total liabilities, deferred inflows of resources and fund balances	$ 773,329	$ 306,228	$ 3,368	$ 42,574	$ 4,799

Supporting Effective Instruction	Other Federal Grants	Student Support and Academic Enrichment	Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ 1,466,197	$ 14,714	$ 2,227,403
23,631	1,955	707	-	-	1,154,521
-	-	-	1,081	-	4,290
-	-	-	1,512	-	1,512
-	-	-	9,646	-	9,646
$ 23,631	$ 1,955	$ 707	$ 1,478,436	$ 14,714	$ 3,397,372
$ 3,050	$ -	$ -	$ -	$ -	$ 19,864
5,089	-	-	96,617	-	350,529
155	-	-	798	-	4,420
1,570	-	-	20,607	-	61,069
3,920	1,841	-	-	-	853,905
13,784	1,841	-	118,022	-	1,289,787
10,583	114	707	-	-	118,314
10,583	114	707	-	-	118,314
-	-	-	1,512	-	1,512
-	-	-	1,081	-	4,290
-	-	-	1,357,821	-	1,357,821
-	-	-	-	-	101,578
-	-	-	-	-	24,723
-	-	-	-	-	469,200
-	-	-	-	14,714	159,008
(736)	-	-	-	-	(128,861)
(736)	-	-	1,360,414	14,714	1,989,271
$ 23,631	$ 1,955	$ 707	$ 1,478,436	$ 14,714	$ 3,397,372

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, 2022

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services	Data Communications
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ 1,344,003	$ 9,000
Investment earnings	-	-	-	1,020	-
Tuition and fees	-	-	3,140	-	-
Extracurricular	-	87,991	593,155	-	-
Charges for services	-	-	-	-	-
Contributions and donations	74,783	1,241	52,906	-	-
Miscellaneous	-	-	10,441	-	-
Total revenues	74,783	89,232	659,642	1,345,023	9,000
Expenditures:					
Current:					
Instruction:					
Regular	47,175	2,032	205	1,263,526	-
Special	-	-	-	-	-
Other	-	-	-	-	9,000
Support services:					
Pupil	1,085	-	-	-	-
Instructional staff	4,991	-	-	-	-
Administration	-	-	-	32,522	-
Operations and maintenance	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	-	-
Extracurricular activities	17,548	98,287	615,145	-	-
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	70,799	100,319	615,350	1,296,048	9,000
Excess (deficiency) of revenues over (under) expenditures	3,984	(11,087)	44,292	48,975	-
Other financing sources:					
Proceeds from sale of assets	-	-	-	-	-
Transfers in	-	-	70,000	-	-
Total other financing sources	-	-	70,000	-	-
Net change in fund balances	3,984	(11,087)	114,292	48,975	-
Fund balances (deficits) at beginning of year	140,310	94,064	271,931	52,603	-
Fund balances (deficits) at end of year	$ 144,294	$ 82,977	$ 386,223	$ 101,578	$ -

Student Wellness and Success	Other State Grants	Elementary and Secondary School Emergency Relief	IDEA Part B	Title III	Title I	EHA Preschool Grant
$ -	$ 24,723	$ 1,468,268	$ 1,592,026	$ 15,469	$ 149,191	$ 16,494
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	24,723	1,468,268	1,592,026	15,469	149,191	16,494
-	-	1,221,273	-	-	-	-
-	-	76,691	1,339,889	12,760	145,668	17,823
-	-	-	-	-	-	-
8,256	-	23,200	173,524	355	-	-
-	-	-	30,187	295	2,352	-
-	-	18,730	-	-	-	-
-	-	152,992	-	-	-	-
-	-	-	-	-	-	-
-	-	-	29,317	2,987	-	-
-	-	-	-	-	-	-
-	23,679	-	-	-	-	-
8,256	23,679	1,492,886	1,572,917	16,397	148,020	17,823
(8,256)	1,044	(24,618)	19,109	(928)	1,171	(1,329)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(8,256)	1,044	(24,618)	19,109	(928)	1,171	(1,329)
8,256	23,679	244	(106,128)	1	(12,044)	(394)
$ -	$ 24,723	$ (24,374)	$ (87,019)	$ (927)	$ (10,873)	$ (1,723)

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, 2022

	Supporting Effective Instruction	Other Federal Grants	Student Support and Academic Enrichment	Food Service	Other Special Revenue
Revenues:					
Intergovernmental	$ 76,102	$ 12,746	$ 10,307	$ 2,384,114	$ -
Investment earnings	-	-	-	1,884	-
Tuition and fees	-	-	-	-	-
Extracurricular	-	-	-	-	-
Charges for services	-	-	-	674,680	-
Contributions and donations	-	-	-	-	226,090
Miscellaneous	-	-	-	-	-
Total revenues	76,102	12,746	10,307	3,060,678	226,090
Expenditures:					
Current:					
Instruction:					
Regular	-	-	-	-	2,000
Special	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	-	8,500	-	-
Instructional staff	55,321	11,341	-	-	-
Administration	-	-	-	-	-
Operations and maintenance	-	-	-	7,586	-
Operation of non-instructional services:					
Food service operations	-	-	-	1,891,345	-
Other non-instructional services	21,517	1,405	1,807	-	226,090
Extracurricular activities	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Total expenditures	76,838	12,746	10,307	1,898,931	228,090
Excess (deficiency) of revenues over (under) expenditures	(736)	-	-	1,161,747	(2,000)
Other financing sources:					
Proceeds from sale of assets	-	-	-	5,847	-
Transfers in	-	-	-	-	-
Total other financing sources	-	-	-	5,847	-
Net change in fund balances	(736)	-	-	1,167,594	(2,000)
Fund balances (deficits) at beginning of year	-	-	-	192,820	16,714
Fund balances (deficits) at end of year	$ (736)	$ -	$ -	$ 1,360,414	$ 14,714

Total Nonmajor Special Revenue Funds
$ 7,102,443
2,904
3,140
681,146
674,680
355,020
10,441
8,829,774
2,536,211
1,592,831
9,000
214,920
104,487
51,252
160,578
1,891,345
283,123
730,980
23,679
7,598,406
1,231,368
5,847
70,000
75,847
1,307,215
682,056
$ 1,989,271

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Grants			
Total Revenues and Other Financing Sources	$ 139,754	$ 77,993	$ (61,761)
Total Expenditures and Other Financing Uses	185,412	80,438	104,974
Net Change in Fund Balance	(45,658)	(2,445)	43,213
Fund Balance, July 1	128,074	128,074	-
Prior Year Encumbrances Appropriated	12,488	12,488	-
Fund Balance, June 30	$ 94,904	$ 138,117	$ 43,213
Student Activities			
Total Revenues and Other Financing Sources	$ 73,000	$ 89,232	$ 16,232
Total Expenditures and Other Financing Uses	139,197	101,119	38,078
Net Change in Fund Balance	(66,197)	(11,887)	54,310
Fund Balance, July 1	93,764	93,764	-
Prior Year Encumbrances Appropriated	300	300	-
Fund Balance, June 30	$ 27,867	$ 82,177	$ 54,310
Athletics and Music			
Total Revenues and Other Financing Sources	$ 620,000	$ 734,142	$ 114,142
Total Expenditures and Other Financing Uses	918,025	654,371	263,654
Net Change in Fund Balance	(298,025)	79,771	377,796
Fund Balance, July 1	269,553	269,553	-
Prior Year Encumbrances Appropriated	38,847	38,847	-
Fund Balance, June 30	$ 10,375	$ 388,171	$ 377,796

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Auxiliary Services			
Total Revenues and Other Financing Sources	$ 2,100,000	$ 1,345,023	$ (754,977)
Total Expenditures and Other Financing Uses	1,484,846	1,392,505	92,341
Net Change in Fund Balance	615,154	(47,482)	(662,636)
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	140,809	140,809	-
Fund Balance, June 30	$ 755,963	$ 93,327	$ (662,636)
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)
Student Wellness and Success			
Total Revenues and Other Financing Sources	$ 172,328	$ -	$ (172,328)
Total Expenditures and Other Financing Uses	8,256	8,256	-
Net Change in Fund Balance	164,072	(8,256)	(172,328)
Fund Balance, July 1	-	-	-
Prior Year Encumbrances Appropriated	8,256	8,256	-
Fund Balance, June 30	$ 172,328	$ -	$ (172,328)

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other State Grants			
Total Revenues and Other Financing Sources	$ 26,321	$ 24,723	$ (1,598)
Total Expenditures and Other Financing Uses	48,403	38,008	10,395
Net Change in Fund Balance	(22,082)	(13,285)	8,797
Fund Balance, July 1	23,679	23,679	-
Fund Balance, June 30	$ 1,597	$ 10,394	$ 8,797
Elementary & Secondary School Emergency Relief			
Total Revenues and Other Financing Sources	$ 2,210,320	$ 748,164	$ (1,462,156)
Total Expenditures and Other Financing Uses	1,589,493	1,589,493	-
Net Change in Fund Balance	620,827	(841,329)	(1,462,156)
Fund Balance (Deficit), July 1	(10,320)	(10,320)	-
Fund Balance (Deficit), June 30	$ 610,507	$ (851,649)	$ (1,462,156)
IDEA Part B			
Total Revenues and Other Financing Sources	$ 1,934,000	$ 1,512,209	$ (421,791)
Total Expenditures and Other Financing Uses	1,656,527	1,656,525	2
Net Change in Fund Balance	277,473	(144,316)	(421,789)
Fund Balance (Deficit), July 1	(76,852)	(76,852)	-
Fund Balance (Deficit), June 30	$ 200,621	$ (221,168)	$ (421,789)

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Title III			
Total Revenues and Other Financing Sources	$ 21,864	$ 12,796	$ (9,068)
Total Expenditures and Other Financing Uses	14,713	14,712	1
Net Change in Fund Balance	7,151	(1,916)	(9,067)
Fund Balance (Deficit), July 1	(4,783)	(4,783)	-
Prior Year Encumbrances Appropriated	4,308	4,308	-
Fund Balance (Deficit), June 30	$ 6,676	$ (2,391)	$ (9,067)
Title I			
Total Revenues and Other Financing Sources	$ 206,800	$ 147,770	$ (59,030)
Total Expenditures and Other Financing Uses	153,262	153,263	(1)
Net Change in Fund Balance	53,538	(5,493)	(59,031)
Fund Balance (Deficit), July 1	(25,474)	(25,474)	-
Prior Year Encumbrances Appropriated	6,000	6,000	-
Fund Balance (Deficit), June 30	$ 34,064	$ (24,967)	$ (59,031)
EHA Preschool Grant			
Total Revenues and Other Financing Sources	$ 46,079	$ 17,281	$ (28,798)
Total Expenditures and Other Financing Uses	17,877	17,877	-
Net Change in Fund Balance	28,202	(596)	(28,798)
Fund Balance (Deficit), July 1	(1,466)	(1,466)	-
Fund Balance (Deficit), June 30	$ 26,736	$ (2,062)	$ (28,798)

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Supporting Effective Instruction			
Total Revenues and Other Financing Sources	$ 193,601	$ 69,395	$ (124,206)
Total Expenditures and Other Financing Uses	72,993	72,993	-
Net Change in Fund Balance	120,608	(3,598)	(124,206)
Fund Balance (Deficit), July 1	(20,800)	(20,800)	-
Prior Year Encumbrances Appropriated	14,459	14,459	-
Fund Balance (Deficit), June 30	$ 114,267	$ (9,939)	$ (124,206)
Other Federal Grants			
Total Revenues and Other Financing Sources	$ 26,000	$ 12,675	$ (13,325)
Total Expenditures and Other Financing Uses	15,117	13,625	1,492
Net Change in Fund Balance	10,883	(950)	(11,833)
Fund Balance (Deficit), July 1	(16,887)	(16,887)	-
Prior Year Encumbrances Appropriated	15,117	15,117	-
Fund Balance (Deficit), June 30	$ 9,113	$ (2,720)	$ (11,833)
Student Support and Academic Enrichment			
Total Revenues and Other Financing Sources	$ 12,723	$ 10,307	$ (2,416)
Total Expenditures and Other Financing Uses	11,639	11,639	-
Net Change in Fund Balance	1,084	(1,332)	(2,416)
Fund Balance, July 1	-	-	-
Fund Balance (Deficit), June 30	$ 1,084	$ (1,332)	$ (2,416)

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Food Service			
Total Revenues and Other Financing Sources	$ 2,300,754	$ 2,954,498	$ 653,744
Total Expenditures and Other Financing Uses	1,925,477	1,817,484	107,993
Net Change in Fund Balance	375,277	1,137,014	761,737
Fund Balance, July 1	299,246	299,246	-
Prior Year Encumbrances Appropriated	1,477	1,477	-
Fund Balance, June 30	$ 676,000	$ 1,437,737	$ 761,737
Other Special Revenue			
Total Revenues and Other Financing Sources	$ 227,250	$ 226,090	$ (1,160)
Total Expenditures and Other Financing Uses	243,964	228,090	15,874
Net Change in Fund Balance	(16,714)	(2,000)	14,714
Fund Balance, July 1	16,714	16,714	-
Fund Balance, June 30	$ -	$ 14,714	$ 14,714
Debt Service			
Total Revenues and Other Financing Sources	$ 6,499,549	$ 6,356,623	$ (142,926)
Total Expenditures and Other Financing Uses	6,100,000	5,700,458	399,542
Net Change in Fund Balance	399,549	656,165	256,616
Fund Balance, July 1	3,270,781	3,270,781	-
Fund Balance, June 30	$ 3,670,330	$ 3,926,946	$ 256,616

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Permanent Improvement			
Total Revenues and Other Financing Sources	$ 2,227,297	$ 2,040,831	$ (186,466)
Total Expenditures and Other Financing Uses	3,072,941	2,443,872	629,069
Net Change in Fund Balance	(845,644)	(403,041)	442,603
Fund Balance, July 1	661,534	661,534	-
Prior Year Encumbrances Appropriated	372,287	372,287	-
Fund Balance, June 30	$ 188,177	$ 630,780	$ 442,603

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, 2022

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Community Education			
Total Revenues	$ 1,500,000	$ 2,131,503	$ 631,503
Total Expenses	2,448,318	2,161,458	286,860
Net Change in Fund Balance	(948,318)	(29,955)	918,363
Fund Balance, July 1	954,508	954,508	-
Prior Year Encumbrances Appropriated	207,168	207,168	-
Fund Balance, June 30	$ 213,358	$ 1,131,721	$ 918,363
Self-Insurance			
Total Revenues	$ 11,100,000	$ 12,318,058	$ 1,218,058
Total Expenses	13,593,304	13,484,091	109,213
Net Change in Fund Balance	(2,493,304)	(1,166,033)	1,327,271
Fund Balance, July 1	2,226,995	2,226,995	-
Prior Year Encumbrances Appropriated	267,204	267,204	-
Fund Balance, June 30	$ 895	$ 1,328,166	$ 1,327,271

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.

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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)

	2022	2021	2020	2019 (c)	2018
Governmental activities					
Net investment in capital assets	$ 40,514,922	$ 43,823,286	$ 43,815,206	$ 41,081,236	$ 39,999,721
Restricted	11,788,564	11,393,039	12,357,052	11,518,481	7,341,961
Unrestricted (deficit)	(47,491,176)	(50,224,607)	(49,063,660)	(44,590,023)	(51,832,286)
Total governmental activities net position	$ 4,812,310	$ 4,991,718	$ 7,108,598	$ 8,009,694	$ (4,490,604)
Business-type activities					
Unrestricted (deficit)	$ 162,498	$ (214,172)	$ (473,816)	$ (45,027)	$ (8,623)
Total business-type activities net position	$ 162,498	$ (214,172)	$ (473,816)	$ (45,027)	$ (8,623)
Primary government					
Net investment in capital assets	$ 40,514,922	$ 43,823,286	$ 43,815,206	$ 41,081,236	$ 39,999,721
Restricted	11,788,564	11,393,039	12,357,052	11,518,481	7,341,961
Unrestricted (deficit)	(47,328,678)	(50,438,779)	(49,537,476)	(44,635,050)	(51,840,909)
Total primary government net position	$ 4,974,808	$ 4,777,546	$ 6,634,782	$ 7,964,667	$ (4,499,227)

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.

2017 (b)	2016	2015	2014 (a)	2013
$ 40,576,526	$ 39,524,689	$ 38,781,982	$ 36,460,488	$ 33,552,876
1,694,486	2,167,394	2,510,271	3,842,694	4,604,254
(83,956,110)	(57,583,840)	(62,406,391)	(69,963,967)	10,365,649
$ (41,685,098)	$ (15,891,757)	$ (21,114,138)	$ (29,660,785)	$ 48,522,779
$ (270,350)	$ 114,896	$ 17,732	$ (87,398)	$ 734,376
$ (270,350)	$ 114,896	$ 17,732	$ (87,398)	$ 734,376
$ 40,576,526	$ 39,524,689	$ 38,781,982	$ 36,460,488	$ 33,552,876
1,694,486	2,167,394	2,510,271	3,842,694	4,604,254
(84,226,460)	(57,468,944)	(62,388,659)	(70,051,365)	11,100,025
$ (41,955,448)	$ (15,776,861)	$ (21,096,406)	$ (29,748,183)	$ 49,257,155

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	2022	2021	2020	2019	2018
Expenses					
Governmental activities:					
Instruction:					
Regular	$ 35,816,224	$ 34,220,892	$ 34,009,196	$ 27,725,631	$ 14,523,016
Special	10,372,613	10,973,538	11,860,105	8,549,067	4,090,861
Vocational	372,102	282,715	356,923	329,507	181,299
Other	1,079,359	1,343,642	1,427,557	1,605,879	1,578,566
Support services:					
Pupil	5,407,605	6,109,168	5,338,291	4,643,823	2,678,981
Instructional staff	2,321,176	2,755,044	2,514,585	2,145,863	1,086,954
Board of education	56,074	49,334	83,586	56,997	145,139
Administration	4,498,841	4,846,185	4,734,030	3,530,486	1,111,112
Fiscal	1,825,526	2,131,737	1,616,905	1,977,521	931,623
Business	539,384	735,981	710,630	525,670	219,975
Operations and maintenance	5,886,401	9,576,045	5,783,679	5,340,037	3,861,761
Pupil transportation	5,125,606	4,701,749	4,140,849	4,409,145	4,200,710
Central	797,782	727,955	562,919	517,371	313,408
Operation of non-instructional services:					
Food service operations	1,889,701	1,463,726	1,505,827	1,464,407	1,008,011
Other non-instructional services	283,326	243,911	274,182	62,834	39,015
Extracurricular activities	4,595,518	2,329,250	2,180,885	2,024,703	1,250,184
Interest on long-term debt	3,423,921	3,464,820	3,558,414	3,700,893	2,257,648
Total governmental activities expenses	84,291,159	85,955,692	80,658,563	68,609,834	39,478,263
Business-type activities:					
Community education	1,307,380	1,040,369	1,242,780	1,522,741	1,318,933
Total business-type activities expenses	1,307,380	1,040,369	1,242,780	1,522,741	1,318,933
Total primary government expenses	$ 85,598,539	$ 86,996,061	$ 81,901,343	$ 70,132,575	$ 40,797,196

2017	2016	2015	2014	2013
$ 30,223,535	$ 28,113,267	$ 27,692,555	$ 28,005,316	$ 28,142,699
10,092,995	8,951,438	8,739,661	8,800,972	6,518,659
369,409	283,061	288,761	290,652	265,708
1,261,399	1,285,813	1,290,104	1,283,858	1,211,810
4,996,693	4,853,110	4,516,471	4,681,004	4,959,355
2,293,445	2,224,870	1,995,041	1,772,770	4,475,298
78,835	38,520	70,122	41,731	44,337
4,414,001	3,927,626	3,789,299	4,059,710	4,294,431
1,411,686	1,410,351	1,198,288	1,627,077	2,029,663
663,107	622,463	593,218	320,399	599,758
5,786,325	5,382,831	5,363,794	5,076,162	5,820,731
3,890,981	3,786,842	3,898,262	3,281,271	4,122,142
568,679	560,192	565,003	642,675	495,129
1,615,311	1,417,360	1,374,636	1,423,600	1,489,944
50,180	29,891	18,097	19,033	22,872
1,978,779	1,839,597	1,707,800	1,672,664	1,408,146
766,121	797,635	842,430	885,321	1,579,616
70,461,481	65,524,867	63,943,542	63,884,215	67,480,298
1,467,886	1,366,536	1,315,393	1,345,070	1,216,037
1,467,886	1,366,536	1,315,393	1,345,070	1,216,037
$ 71,929,367	$ 66,891,403	$ 65,258,935	$ 65,229,285	$ 68,696,335

- - Continued

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Program Revenues	**2022**	**2021**	**2020**	**2019**	**2018**
Governmental activities:					
Charges for services:					
Instruction:					
Regular	$ 1,450,731	$ 1,279,624	$ 1,178,066	$ 1,270,368	$ 1,177,962
Special	177,682	79,254	135,903	72,133	50,544
Vocational	-	7,848	5,268	-	-
Other	5,988	8,688	8,077	8,606	12,258
Support services:					
Pupil	166,666	128,117	133,129	134,784	207,697
Instructional staff	176	3,315	8,034	7,643	13,244
Administration	1,902	1,241	1,837	-	-
Operations and maintenance	8,927	14,753	18,951	14,710	17,703
Operation of non-instructional services:					
Food service operations	674,680	409,292	1,116,264	1,362,879	1,295,372
Other non-instructional services	121	1,287	4,109	15,149	3,650
Extracurricular activities	989,580	579,640	533,386	720,255	797,509
Operating grants and contributions:					
Instruction:					
Regular	2,607,696	2,290,782	1,843,130	1,750,299	1,736,959
Special	2,495,303	2,712,533	2,150,005	2,081,087	2,133,439
Vocational	19,127	30,435	30,435	30,590	29,481
Other	9,000	9,000	10,800	10,800	10,800
Support services:					
Pupil	557,545	509,215	919,916	939,506	786,571
Instructional staff	85,910	108,769	103,164	154,185	64,770
Administration	52,490	58,543	135,828	178,841	187,698
Operations and maintenance	153,067	375,266	45,041	-	2,961
Pupil transportation	159,020	60,966	15,350	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	2,385,998	969,135	250,449	270,780	249,998
Other non-instructional services	279,230	255,495	259,427	48,941	29,045
Extracurricular activities	72,682	166,797	79,986	154,007	72,836
Capital grants and contributions:					
Instruction:					
Regular	5,514	4,317	4,130	7,488	6,867
Support services:					
Pupil transportation	-	20,599	-	-	-
Extracurricular activities	19,343	24,200	25,800	26,700	67,078
Total governmental program revenues	12,378,378	10,109,111	9,016,485	9,259,751	8,954,442
Business-type activities:					
Charges for services	1,547,845	985,309	1,593,018	1,492,116	1,443,154
Total business-type activities program revenues	1,547,845	985,309	1,593,018	1,492,116	1,443,154
Total primary government program revenue	$ 13,926,223	$ 11,094,420	$ 10,609,503	$ 10,751,867	$ 10,397,596
Net (Expense)/Revenue					
Governmental activities	$ (71,912,781)	$ (75,846,581)	$ (71,642,078)	$ (59,350,083)	$ (30,523,821)
Business-type activities	240,465	(55,060)	350,238	(30,625)	124,221
Total primary government net expense	$ (71,672,316)	$ (75,901,641)	$ (71,291,840)	$ (59,380,708)	$ (30,399,600)

2017	2016	2015	2014	2013
$ 998,820	$ 1,026,119	$ 882,386	$ 888,626	$ 798,724
33,694	68,808	60,560	141,314	141,021
6,095	10,466	1,007	5,025	855
8,207	13,509	6,697	9,339	8,847
248,149	188,906	183,095	217,724	257,276
11,872	31,707	24,205	43,048	35,663
-	-	-	-	-
22,785	9,640	10,052	3,960	9,646
1,262,575	1,206,111	1,201,321	1,203,971	1,276,922
3,258	4,939	4,573	6,582	8,279
698,237	688,980	713,817	713,453	579,007
2,048,298	1,972,255	2,093,950	1,838,264	1,763,997
1,896,391	2,010,468	1,931,359	2,406,823	789,698
29,713	31,033	34,774	42,573	31,019
10,800	10,800	10,800	10,800	10,800
920,434	815,137	673,613	820,753	705,350
51,206	98,975	99,498	99,534	278,238
181,419	181,611	168,967	173,782	227,220
-	-	40,369	-	-
-	-	-	-	-
610	-	-	-	-
247,247	226,392	226,121	186,608	231,386
23,154	12,534	5,953	4,443	11,061
31,911	33,169	39,188	20,828	42,312
7,884	8,445	46,474	36,645	25,566
-	-	-	-	-
62,721	28,250	208,617	1,168,836	6,034,097
8,805,480	8,678,254	8,667,396	10,042,931	13,266,984
1,415,488	1,369,879	1,402,122	1,291,244	1,342,133
1,415,488	1,369,879	1,402,122	1,291,244	1,342,133
$ 10,220,968	$ 10,048,133	$ 10,069,518	$ 11,334,175	$ 14,609,117
$ (61,656,001)	$ (56,846,613)	$ (55,276,146)	$ (53,841,284)	$ (54,213,314)
(52,398)	3,343	86,729	(53,826)	126,096
$ (61,708,399)	$ (56,843,270)	$ (55,189,417)	$ (53,895,110)	$ (54,087,218)

- - 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	**2022**	**2021**	**2020**	**2019**	**2018**
Governmental activities:					
Property taxes levied for:					
General purposes	$ 47,389,302	$ 49,255,865	$ 44,805,866	$ 43,943,803	$ 44,520,840
Debt service	4,918,450	5,014,954	4,400,343	4,722,713	3,456,419
Capital outlay	1,329,479	1,390,404	1,272,326	1,260,795	1,288,278
Payments in lieu of taxes	401,895	423,363	477,283	379,593	658,751
Grants and entitlements not restricted to specific programs	17,681,115	17,174,728	16,577,309	16,757,875	16,768,399
Investment earnings	(465,074)	152,157	2,460,174	3,404,435	634,979
Gain on sale of capital assets	-	-	-	489,929	-
Miscellaneous	478,206	318,230	455,810	569,166	390,649
Transfers	-	-	291,871	208,129	-
Total governmental activities	71,733,373	73,729,701	70,740,982	71,736,438	67,718,315
Business-type activities:					
Grants not restricted to specific programs	136,205	126,737	120,553	101,448	88,544
Transfers	-	-	(291,871)	(208,129)	-
Total business-type activities	136,205	126,737	(171,318)	(106,681)	88,544
Total primary government	$ 71,869,578	$ 73,856,438	$ 70,569,664	$ 71,629,757	$ 67,806,859
Change in Net Position					
Governmental activities	$ (179,408)	$ (2,116,880)	$ (901,096)	$ 12,386,355	$ 37,194,494
Business-type activities	376,670	71,677	178,920	(137,306)	212,765
Total primary government	$ 197,262	$ (2,045,203)	$ (722,176)	$ 12,249,049	$ 37,407,259

Source: School District financial records.

2017	2016	2015	2014	2013
$ 37,455,272	$ 41,995,699	$ 42,824,517	$ 44,934,135	$ 38,656,261
-	-	139,736	1,237,233	2,138,611
1,096,477	1,225,365	1,266,821	1,319,845	1,128,041
566,274	472,588	984,788	515,367	349,063
17,952,080	18,019,970	18,210,293	17,664,962	19,104,616
332,259	30,630	125,658	62,124	58,911
-	-	-	-	-
421,053	324,742	270,980	194,817	215,507
-	-	-	-	-
57,823,415	62,068,994	63,822,793	65,928,483	61,651,010
56,635	48,212	50,644	49,354	44,407
-	-	-	-	-
56,635	48,212	50,644	49,354	44,407
$ 57,880,050	$ 62,117,206	$ 63,873,437	$ 65,977,837	$ 61,695,417
$ (3,832,586)	$ 5,222,381	$ 8,546,647	$ 12,087,199	$ 7,437,696
4,237	51,555	137,373	(4,472)	170,503
$ (3,828,349)	$ 5,273,936	$ 8,684,020	$ 12,082,727	$ 7,608,199

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	2022	2021	2020	2019	2018
General Fund:					
Nonspendable	$ 131,509	$ 124,055	$ 335,620	$ 111,419	$ 134,433
Assigned	1,855,020	2,112,847	1,550,195	1,421,923	1,304,837
Unassigned	25,490,602	29,092,684	28,300,131	30,640,854	32,080,771
Total general fund	$ 27,477,131	$ 31,329,586	$ 30,185,946	$ 32,174,196	$ 33,520,041
All Other Governmental Funds:					
Nonspendable	$ 5,953	$ 3,217	$ 3,288	$ 3,055	$ 3,245
Restricted	10,420,367	17,390,047	46,280,944	79,972,447	89,175,131
Unassigned (deficit)	(128,861)	(120,510)	(50,301)	(92,368)	(99,631)
Total all other governmental funds	$ 10,297,459	$ 17,272,754	$ 46,233,931	$ 79,883,134	$ 89,078,745

Source: School District financial records.

2017	2016	2015	2014	2013
$ 135,143	$ 41,658	$ 43,680	$ 41,583	$ 36,931
1,058,137	949,697	1,344,677	860,100	1,026,273
29,656,843	30,597,837	24,668,107	18,603,913	9,179,798
$ 30,850,123	$ 31,589,192	$ 26,056,464	$ 19,505,596	$ 10,243,002
$ 5,285	$ 2,076	$ 2,229	$ 11,322	$ 10,782
1,603,298	2,052,730	2,544,142	3,885,169	4,581,991
(92,868)	(112,889)	(25,386)	(15,543)	(27,479)
$ 1,515,715	$ 1,941,917	$ 2,520,985	$ 3,880,948	$ 4,565,294

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	2022	2021	2020	2019	2018
Revenues					
Property taxes	$ 53,659,020	$ 55,202,881	$ 50,284,775	$ 50,275,952	$ 49,466,124
Intergovernmental	26,216,090	24,329,911	22,034,637	22,101,305	21,898,608
Investment earnings	(485,829)	291,407	2,989,533	3,150,382	284,914
Tuition and fees	1,705,435	1,466,238	1,460,461	1,310,773	1,335,055
Extracurricular	1,081,633	624,266	543,167	912,605	929,092
Charges for services	674,774	412,895	1,116,601	1,363,824	1,296,826
Payment in lieu of taxes	401,895	423,363	477,283	379,593	658,751
Miscellaneous	872,694	750,253	873,800	861,830	648,354
Total revenues	84,125,712	83,501,214	79,780,257	80,356,264	76,517,724
Expenditures					
Current:					
Instruction:					
Regular	33,115,193	30,858,663	31,473,741	30,549,019	29,518,260
Special	11,113,813	10,379,324	11,430,822	9,997,656	9,733,614
Vocational	256,122	319,775	325,272	313,426	296,134
Other	1,079,359	1,343,642	1,427,557	1,605,879	1,578,566
Support services:					
Pupil	5,799,344	5,834,328	5,125,258	5,216,987	5,059,803
Instructional staff	2,345,318	2,521,066	2,360,094	2,379,582	2,212,400
Board of education	57,318	48,856	83,115	58,316	150,458
Administration	5,034,912	4,478,217	4,464,732	4,356,204	4,340,166
Fiscal	1,897,812	2,077,166	1,592,366	2,105,964	1,460,354
Business	618,588	679,000	655,233	624,717	653,470
Operations and maintenance	5,977,966	5,746,465	5,103,003	5,175,003	5,206,194
Pupil transportation	4,826,680	4,529,697	3,959,511	4,374,324	4,195,685
Central	857,333	694,334	544,296	583,691	596,109
Operation of non-instructional services:					
Food service operations	1,891,345	1,401,120	1,501,995	1,566,123	1,475,061
Other non-instructional services	283,326	243,911	274,182	62,834	39,015
Extracurricular activities	2,107,380	1,760,237	1,788,809	1,894,574	1,902,859
Facilities acquisition and construction	11,505,241	31,519,167	37,265,483	11,438,285	1,780,665
Capital outlay	1,655,850	-	-	-	-
Debt service:					
Principal retirement	2,766,377	3,372,569	3,340,786	5,152,733	1,187,129
Interest and fiscal charges	3,182,397	3,518,478	3,611,598	4,498,063	681,304
Debt issue costs	234,865	-	-	-	543,833
Payment to refunded debt escrow agent	755,430	-	-	-	-
Total expenditures	97,361,969	111,326,015	116,327,853	91,953,380	72,611,079
Excess of revenues over (under) expenditures	(13,236,257)	(27,824,801)	(36,547,596)	(11,597,116)	3,906,645
Other Financing Sources (Uses)					
Transfers in	1,880,000	1,877,100	1,603,800	1,820,000	1,784,000
Transfers (out)	(1,880,000)	(1,877,100)	(1,603,800)	(1,820,000)	(1,784,000)
Proceeds from sale of assets	43,427	7,264	4,033	506,709	25,019
Inception of lease	1,655,850	-	792,167	548,951	1,190,970
Inception of software license obligation	-	-	-	-	-
Issuance of notes	474,365	-	-	-	-
Premium on debt issuance	1,128,299	-	-	-	3,560,314
Issuance of bonds	-	-	-	-	81,550,000
Payment to refunded debt escrow agent	(12,953,434)	-	-	-	-
Issuance of certificates of participation	12,060,000	-	-	-	-
Total other financing sources (uses)	2,408,507	7,264	796,200	1,055,660	86,326,303
Special item	-	-	-	-	-
Net change in fund balances	$ (10,827,750)	$ (27,817,537)	$ (35,751,396)	$ (10,541,456)	$ 90,232,948
Debt service as a percentage of noncapital expenditures	6.83%	8.30%	8.80%	11.99%	2.67%

Source: School District financial records.

2017	2016	2015	2014	2013
$ 38,638,804	$ 43,368,939	$ 44,766,636	$ 47,389,754	$ 42,122,419
23,286,716	23,228,844	23,395,233	23,140,268	23,213,618
309,301	141,723	38,680	57,818	51,472
1,153,015	1,156,500	1,002,671	1,147,244	1,049,801
857,199	846,655	848,935	849,924	769,849
1,264,343	1,208,133	1,203,390	1,206,450	1,279,995
566,274	472,588	984,788	515,367	349,063
628,552	480,490	681,522	1,531,441	452,473
66,704,204	70,903,872	72,921,855	75,838,266	69,288,690
27,041,736	26,634,674	27,131,221	27,194,680	26,755,411
9,320,195	8,766,022	8,943,676	8,615,372	6,406,501
311,872	290,227	269,533	254,736	241,724
1,261,399	1,285,813	1,290,104	1,283,858	1,211,810
4,933,413	4,826,657	4,567,464	4,706,665	4,908,661
2,100,786	2,171,807	1,988,037	1,846,576	4,319,163
78,386	38,630	70,249	41,731	44,201
4,028,833	3,867,128	3,868,836	4,020,237	4,259,944
1,361,659	1,410,151	1,206,874	1,619,261	2,023,839
613,035	623,359	591,359	559,490	593,078
5,095,194	4,971,577	4,937,486	4,882,939	4,772,810
4,027,925	3,708,416	3,915,887	3,233,565	3,954,783
531,625	459,386	453,604	525,875	499,551
1,537,420	1,397,609	1,388,802	1,365,327	1,435,672
37,412	18,080	11,306	17,864	23,995
1,652,700	1,567,433	1,479,062	1,458,495	1,241,538
2,095,139	2,025,949	3,367,929	2,312,691	1,002,774
-	-	-	-	340,880
1,154,911	1,179,033	1,495,843	3,425,296	3,306,932
693,924	725,382	770,613	816,437	847,026
-	-	-	-	302,738
-	-	-	-	-
67,877,564	65,967,333	67,747,885	68,181,095	68,493,031
(1,173,360)	4,936,539	5,173,970	7,657,171	795,659
1,796,000	1,781,000	1,645,000	1,006,000	1,006,000
(1,796,000)	(1,781,000)	(1,645,000)	(1,006,000)	(1,006,000)
8,089	17,121	16,935	2,686	20,674
-	-	-	918,391	-
-	-	-	-	340,880
-	-	-	-	-
-	-	-	-	64,451
-	-	-	-	-
-	-	-	-	(21,474,661)
-	-	-	-	18,725,000
8,089	17,121	16,935	921,077	(2,323,656)
-	-	-	-	511,000
$ (1,165,271)	$ 4,953,660	$ 5,190,905	$ 8,578,248	$ (1,016,997)
2.80%	3.04%	3.51%	6.26%	6.23%

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**
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
2013	885,645,250	2,530,415,000	5,718,170	16,337,629	891,363,420	2,546,752,629

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%
92.43	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%
91.24	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
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
2012/2013	Boston Township	2.81	0.59	-	3.40	91.24	14.16	7.98	8.80	1.00	123.18
	Boston Heights Village	2.81	0.59	-	3.40	91.24	14.16	6.10	-	-	111.50
	Hudson City	2.81	0.59	1.94	5.34	91.24	14.16	7.81	-	-	113.21
	Cuyahoga Falls City	2.81	0.59	-	3.40	91.24	14.16	11.00	-	-	116.40

Source: Summit County Fiscal Officer

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2021 AND DECEMBER 31, 2012

	December 31, 2021		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
Laurel Lake Retirement Community, Inc.	$ 14,239,430	1	1.25%
Aurora 51 Hines Hill LLC	9,455,720	2	0.83%
Hudson Meadows Retirement Community	7,877,290	3	0.69%
Hudson Senior Living, Inc.	7,864,860	4	0.69%
Little Tikes, Inc.	7,524,990	5	0.66%
East Ohio Gas Company	6,855,400	6	0.60%
Trails of Hudson One LLC	6,817,390	7	0.60%
JoAnn Stores Support Center, Inc.	6,632,810	8	0.58%
Hudson Senior Apartments LLC	6,536,930	9	0.57%
Hudson Senior Housing | Propco LLC	6,045,440	10	0.53%
Total	$ 79,850,260		7.00%

	December 31, 2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
Little Tikes, Inc.	$ 9,488,740	1	1.07%
Allstate Insurance Company	6,554,250	2	0.74%
JoAnn Stores Support Center, Inc.	5,153,480	3	0.58%
Georgetown Development Co.	2,620,860	4	0.30%
Hudson MOB LLC	2,013,750	5	0.23%
Prestige and Premier Co.	1,910,900	6	0.22%
Albrecht, Inc.	1,804,790	7	0.20%
Laurel Lake Retirement Community, Inc.	1,759,680	8	0.20%
Boston Mills Partners LLC	1,749,980	9	0.20%
Kobelco Stewart Bolling, Inc.	1,611,020	10	0.18%
Total	$ 34,667,450		3.92%

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
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%
2012/2013	49,050,090	3,309,349	52,359,439	47,415,431	96.67%

Source: Summit County Fiscal Officer

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
$ 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%
1,634,659	49,050,090	93.68%

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	Leases	Notes	Software License Obligation	(a) Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
2022	$ 89,756,842	$ 1,335,877	$ 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
2013	24,933,232	367,512	-	283,549	25,584,293	2.30%	1,146	5,466

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.

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
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	2.81%	4,131
2019	97,834,031	(5,402,194)	92,431,837	2.91%	4,148
2018	102,705,364	-	102,705,364	3.29%	4,617
2017	18,631,599	-	18,631,599	0.68%	837
2016	19,608,257	-	19,608,257	0.73%	874
2015	20,559,916	-	20,559,916	0.78%	916
2014	21,786,574	(1,323,826)	20,462,748	0.80%	911
2013	24,933,232	(4,465,979)	20,467,253	0.80%	917

(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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Direct Debt and Estimated Share of Overlapping Debt
Direct debt:			
Hudson City School District	$ 91,092,719 (b)	100.00%	$ 91,092,719
Total direct debt	91,092,719		91,092,719
Overlapping debt:			
City of Hudson	29,776,000	99.70%	29,686,672
City of Cuyahoga Falls	8,905,000	4.03%	358,872
Summit County	27,905,000	8.90%	2,483,545
Boston Heights Village	3,320,000	62.94%	2,089,608
Total overlapping debt	69,906,000		34,618,697
Total direct and overlapping debt	$ 160,998,719		$ 125,711,416

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	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
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%
2013	891,363	80,222,708	24,830,000	1,311,307	23,518,693	56,704,015	29.32%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	$ 1,292,299,500
Debt limit (9% of assessed value)	116,306,955
Add: debt service fund equity	4,314,169
Less: debt applicable to limit	(73,550,000)
Legal debt margin	$ 47,071,124

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)
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%
2013	22,323	1,111,283,586	49,782	41.3	4,681	7.1%	7.2%	7.6%

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 2021-2022 (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, 2021 AND DECEMBER 31, 2012

	December 31, 2021	
Employer	**Employees**	**Percentage of Total City Employment**
Allstate Insurance Company	1,359	7.14%
Little Tikes Company	1,164	6.12%
Leaffilter North LLC	1,128	5.93%
Jo-Ann Stores Support Center	931	4.89%
Hudson City School District	897	4.71%
Jo-Ann Stores LLC	848	4.46%
Universal Screen Arts Inc	629	3.30%
City of Hudson	311	1.63%
Boxout LLC	251	1.32%
Western Reserve Academy	248	1.30%
Total	7,766	40.80%
Total Employment within the City	19,033	

	December 31, 2012	
Employer	**Employees**	**Percentage of Total City Employment**
Jo-Ann Stores Supply Chain	2,293	16.94%
Allstate Insurance Company	1,460	10.78%
Hudson City School District	1,089	8.04%
Little Tikes Company	397	2.93%
Laurel Lake Retirement Community	350	2.58%
Catastrophe Management	275	2.03%
Western Reserve Academy	235	1.74%
City of Hudson	222	1.64%
FedEx Supply Chain Services	151	1.12%
Lexi-Comp Inc.	150	1.11%
Total	6,622	48.91%
Total Employment within the City	13,540	

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	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Professional Staff:										
Teaching Staff:										
Elementary	121	118	116	120	115	113	111	106	109	116
Middle	67	67	67	65	70	69	68	76	67	69
High	94	100	94	95	95	95	93	93	95	94
Tutors	32	23	25	19	23	21	28	29	25	20
Others	8	6	6	6	4	4	3	3	4	4
Administration:										
District	27	27	27	27	26	26	25	25	25	25
Auxiliary Positions:										
Counselors	13	13	13	13	13	13	13	13	13	13
Speech	8	8	8	8	8	9	9	9	10	9
Mental Health Specialists	6	6	6	6	5	7	7	11	10	8
Other	31	31	31	29	29	32	33	27	29	27
Support Staff:										
Secretarial	41	41	42	45	44	44	45	44	45	48
Aides	95	82	96	95	92	93	92	91	90	92
Hall monitor/Security	12	11	12	11	11	11	11	10	13	11
Food service	17	18	20	20	20	20	19	19	21	21
Custodial	32	31	31	31	29	30	31	31	32	32
Maintenance	10	10	10	9	10	8	10	10	10	9
Other	2	2	2	2	2	2	2	2	2	2
Total	616	594	606	601	596	597	600	599	600	600

Function	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Instruction:										
Regular	233	237	228	227	225	225	227	231	223	226
Special	83	72	75	73	77	72	72	72	73	73
Vocational	1	1	1	1	1	1	1	1	1	1
Other	4	4	4	4	4	4	3	3	3	3
Support Services:										
Pupil	48	49	50	48	47	48	47	50	54	49
Instructional staff	117	103	118	115	112	118	119	111	109	109
Administration	55	54	54	58	57	57	57	58	61	65
Fiscal	6	6	6	6	6	6	6	6	6	6
Business	6	6	6	6	5	5	4	4	4	4
Operations and maintenance	44	42	42	41	40	39	42	41	43	41
Central	2	2	2	2	2	2	2	2	2	2
Food service	17	18	20	20	20	20	20	20	21	21
Total Governmental Activities	616	594	606	601	596	597	600	599	600	600

Source: School District records

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction:										
Regular and Special										
Enrollment (students)	4,713	4,695	4,737	4,736	4,708	4,661	4,656	4,598	4,617	4,681
Graduates	370	414	373	374	389	391	401	410	398	405
Support services:										
Administration										
Student attendance rate	95.1%	97.0%	96.8%	96.0%	95.9%	96.0%	95.8%	96.2%	96.3%	96.0%
Food service operations:										
Number of students with										
free or reduced lunches	217	242	221	240	243	254	218	243	249	241

Source: District records and Ohio Department of Education

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2022	2021 (b)	2020	2019	2018
Land	$ 1,022,386	$ 1,022,386	$ 1,022,386	$ 1,022,386	$ 1,032,204
Construction in progress	-	58,477,761	43,213,059	10,048,035	444,165
Land improvements	6,274,966	4,417,880	4,107,628	4,253,777	4,322,623
Buildings and improvements	116,779,564	57,822,559	47,761,617	45,473,733	45,748,796
Furniture, fixtures and equipment	2,981,881	3,029,854	3,483,284	3,679,702	3,871,362
Vehicles	775,005	1,101,064	1,226,410	1,441,573	1,456,567
Computer software	-	4,463	8,925	13,388	18,828
Intangible right to use - building	205,433	-	-	-	-
Intangible right to use - equipment	1,119,246	297,743	-	-	-
Total Governmental Activities Capital Assets, net (a)	$ 129,158,481	$ 126,173,710	$ 100,823,309	$ 65,932,594	$ 56,894,545

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.

2017	2016	2015	2014	2013
$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204
-	-	322,179	523,955	-
4,482,595	4,568,776	4,325,124	4,329,314	4,375,993
46,896,497	46,598,621	46,912,197	45,605,270	45,512,554
3,191,443	3,478,148	3,414,797	3,425,574	3,098,322
1,431,092	1,280,307	1,252,617	1,138,088	1,131,940
25,245	31,663	123,301	243,345	352,637
-	-	-	-	-
-	-	-	-	-
$ 57,059,076	$ 56,989,719	$ 57,382,419	$ 56,297,750	$ 55,503,650

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016
Evamere Elementary							
Square feet	59,847	59,847	59,847	59,847	59,847	59,847	59,847
Enrollment	-	403	629	622	604	594	580
McDowell Elementary							
Square feet	56,800	56,800	56,800	56,800	56,800	56,800	56,800
Enrollment	452	-	329	337	309	327	317
Ellsworth Hill Elementary							
Square feet	79,111	79,111	64,411	64,411	64,411	64,411	64,411
Enrollment	655	648	446	433	424	381	390
East Woods Intermediate							
Square feet	139,971	190,432	139,900	139,900	139,900	139,900	139,900
Enrollment	1,011	1,016	673	673	682	663	683
Hudson Middle School							
Square feet	178,490	178,490	190,432	190,432	190,432	190,432	190,432
Enrollment	1,072	1,066	1,076	1,107	1,086	1,122	1,081
Hudson High School							
Square feet	342,620	342,620	342,620	342,620	342,620	342,620	342,620
Enrollment	1,523	1,562	1,584	1,564	1,603	1,574	1,605

Source: District 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).

2015	2014	2013
59,847	59,847	59,847
563	556	518
56,800	56,800	56,800
288	344	287
64,411	64,411	64,411
364	328	405
139,900	139,900	139,900
661	660	688
190,432	190,432	190,432
1,101	1,089	1,121
342,620	342,620	342,620
1,621	1,640	1,662

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

TEACHER STATISTICS
AS OF JUNE 30, 2022

Degree	Number of Teachers (FTE)	Percentage of Total	Pay Range
Associates and/or High School Diploma	2	0.71%	(a)
Bachelor's Degree	28	9.97%	$45,838 - $88,339
Master's Degree	251	88.62%	$50,005 - $110,011
Ph.D.	2	0.71%	$56,670 - $114,595
	283	100.00%	

Years of Experience	Number of Teachers (FTE)	Percentage of Total
0 - 5	39	13.85%
6 - 10	59	20.69%
11 and over	185	65.46%
	283	100.00%

Source: School District Personnel Records

(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 Government		Governmental Activities		Enrollment	Percent Change	Teaching Staff	Student Attendance Percentage
	Expenditures (a)	Cost per pupil	Expenses (a)	Cost per pupil				
2022	$ 91,413,195	$19,396	$ 80,867,238	$17,158	4,713	0.38%	367	95.1%
2021	104,434,968	22,244	82,490,872	17,570	4,695	-0.89%	356	97.0%
2020	109,375,469	23,090	77,100,149	16,276	4,737	0.02%	349	96.8%
2019	82,302,584	17,378	64,908,941	13,705	4,736	0.59%	347	96.0%
2018	70,742,646	15,026	37,220,615	7,906	4,708	1.01%	344	95.9%
2017	66,028,729	14,166	69,695,360	14,953	4,661	0.11%	342	96.0%
2016	64,062,918	13,759	64,727,232	13,902	4,656	1.26%	338	95.8%
2015	65,481,429	14,241	63,101,112	13,724	4,598	-0.41%	342	96.2%
2014	63,939,362	13,849	62,998,894	13,645	4,617	-1.37%	342	96.3%
2013	64,339,073	13,745	65,900,682	14,078	4,681	-1.43%	342	96.0%

Source: District records

(a) Debt service totals have been excluded.

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Treasurer and Chief Financial Officer Phillip Butto IV and his staff pride themselves on serving the District with honesty, integrity and transparency.

In fact, the Hudson City School District received the Association of School Business Officials International (ASBO) and the Government Financial Officers Association (GFOA) Certificate of Excellence in Financial Reporting awards for having met or exceeded the programs' high standards for financial reporting and accountability.

The District has earned the Auditor of State Award with Distinction each year from 2015 to 2021 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.

For more information, please go to the Treasurer's webpage at www.hudson.k12.oh.us