COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

HUDSON CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2018

Hudson City Schools®

Board of Education

David Zuro, President
Steven DiMauro, Vice President
James Field, Member
Tom Tobin, Member
Alisa Wright, Member

PREPARED BY THE OFFICE OF THE TREASURER

Kathryn L. Sines, Treasurer

HUDSON CITY SCHOOL DISTRICT
2386 Hudson-Aurora Road
Hudson, Ohio 44236

THIS PAGE IS INTENTIONALLY LEFT BLANK

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Table of Contents ..... I 1-4
Letter of Transmittal ..... I 5-13
Organizational Chart ..... I 14
Certificate of Achievement for Excellence in Financial Reporting ..... I 15
Certificate of Excellence in Financial Reporting ..... I 16

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT ..... F 1-3

MANAGEMENT'S DISCUSSION AND ANALYSIS ..... F 5-19

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Position ..... F 21
Statement of Activities ..... F 22-23

Fund Financial Statements:

Balance Sheet - Governmental Funds ..... F 24

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities ..... F 25

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds ..... F 26

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities ..... F 27

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) – General Fund ..... F 28

Statement of Net Position - Proprietary Funds ..... F 29

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds ..... F 30

Statement of Cash Flows - Proprietary Funds ..... F 31

Statement of Fiduciary Net Position - Fiduciary Funds ..... F 32

Statement of Changes in Fiduciary Net Position - Fiduciary Fund ..... F 33

Notes to the Basic Financial Statements ..... F 35-82

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the District's Proportionate Share of the Net Pension Liability:

School Employees Retirement System (SERS) of Ohio ..... F 84
State Teachers Retirement System (STRS) of Ohio ..... F 85

Schedule of District Pension Contributions:

School Employees Retirement System (SERS) of Ohio ..... F 86-87
State Teachers Retirement System (STRS) of Ohio ..... F 88-89

Schedule of the District's Proportionate Share of the Net OPEB Liability:

School Employees Retirement System (SERS) of Ohio ..... F 90
State Teachers Retirement System (STRS) of Ohio ..... F 91

Schedule of District OPEB Contributions:

School Employees Retirement System (SERS) of Ohio ..... F 92-93
State Teachers Retirement System (STRS) of Ohio ..... F 94-95

Notes to the Required Supplementary Information ..... F 96-97

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Fund Descriptions - General Fund ..... F 99

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Non-GAAP Budgetary Basis):

Rotary ..... F 100
Public School Support ..... F 100
Special Trust ..... F 100

Fund Descriptions - Major Capital Projects Fund ..... F 101

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Non-GAAP Budgetary Basis):

Building ..... F 102

Fund Descriptions - Nonmajor Governmental Funds ..... F 103-104

Combining Balance Sheet - Nonmajor Governmental Funds ..... F 105

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds ..... F 106

Combining Balance Sheet – Nonmajor Special Revenue Funds ..... F 107-109

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Special Revenue Funds ..... F 110-112

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - (Non-GAAP Budgetary Basis):

Other Grants ..... F 113
Athletics and Music ..... F 113
Auxiliary Services ..... F 113
Data Communications ..... F 114
Other State Grants ..... F 114
Title VI-B ..... F 114
Title III ..... F 115
Title I ..... F 115

EHA Preschool Grant ..... F 115
Classroom Reduction ..... F 116
Other Federal Grants ..... F 116
Food Service ..... F 116
Other Special Revenue ..... F 117
Debt Service ..... F 117
Permanent Improvement ..... F 117

Fund Descriptions - Proprietary Funds ..... F 118

Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual - (Non-GAAP Budgetary Basis):

Community Education ..... F 119
Self-Insurance ..... F 119

Fund Descriptions - Fiduciary Funds ..... F 120

Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual - (Non-GAAP Budgetary Basis):

Scholarship ..... F 121

Combining Statements – All Agency Funds:

Combining Statement of Changes in Assets and Liabilities
Agency Funds ..... F 122

III. STATISTICAL SECTION

Table of Contents ..... S 1

Net Position by Component - Last Ten Fiscal Years ..... S 2-3

Changes in Net Position - Last Ten Fiscal Years ..... S 4-9

Fund Balances, Governmental Funds - Last Ten Fiscal Years ..... S 10-11

Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years ..... S 12-13

Assessed Valuation and Estimated Actual Value of Taxable Property -
Last Ten Years ..... S 14-15

Direct and Overlapping Property Tax Rates – Last Ten Years ..... S 16

Principal Property Tax Payers – December 31, 2017 and December 31, 2008 ..... S 17

Property Tax Levies and Collections - Last Ten Fiscal Years ..... S 18-19

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years ..... S 20

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years ..... S 21

Direct and Overlapping Governmental Activities Debt - As of June 30, 2018 ..... S 22

Legal Debt Margin Information - Last Ten Fiscal Years ..... S 23

Demographic and Economic Statistics - Last Ten Fiscal Years ..... S 24

Principal Employers - December 31, 2017 and December 31, 2008 ..... S 25

Staffing Statistics - Full Time Equivalents (FTE) by Type and Function -
Last Ten Fiscal Years ..... S 26

Operating Indicators by Function - Last Ten Fiscal Years ..... S 27

Capital Asset Statistics - Last Ten Fiscal Years ..... S 28-29

School Building Information - Last Ten Fiscal Years ..... S 30-31

Teacher Statistics - As of June 30, 2018 ..... S 32

Operating Statistics - Last Ten Fiscal Years ..... S 33

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

December 28, 2018

Citizens and Board of Education, Hudson City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Hudson City School District (the "District") for the fiscal year ended June 30, 2018. This CAFR, which includes an opinion from the auditors, Charles E. Harris & Associates, 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, 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". 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: Hudson Montessori School, Cuyahoga Valley Christian Academy, Seton Catholic School, Western Reserve Academy, Walsh Jesuit High School, and Le Chaperon Rouge. 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.

TREASURER'S OFFICE: Kathryn L. Sines, Treasurer • Elaine Speakman, Supervisor of Budgeting and Payroll Accounting

Empowering Students to Achieve Uncharted Levels of Success

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 shows a population of 22,262.

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 2018 was 4,708 students. The District expects minimal annul changes in enrollment, decreasing slightly to 4,679 by 2021 and increasing to 4,740 by 2027.

The District's facilities include four elementary schools, one middle school (grades six to eight), one high school (grades nine to twelve), a maintenance building, a bus garage, central offices residing in four houses, athletic fields and field houses. The ages of the buildings vary from the oldest built in 1927 to the newest built in 2007. The majority of the District's school buildings were built before 1967.

Economic Condition And Outlook

Ohio's unemployment rate was 4.5 percent in June 2018, and the nation's unemployment rate for the same period was 4.0 percent. Additionally, June 2018 employment in the Akron area was 348,100 with an unemployment rate of 4.9 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 JoAnn Stores, Inc., for Meyer DC, and is also home to the division headquarters of Little Tikes Co., Caliber Logistics, Inc. (Federal Express), 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 68.4 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 26, 2018.

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 inducement 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. A specific example of long range planning is the facilities study committee which made recommendations to the superintendent and Board of Education regarding the 2018 Master Facilities Plan www.hudson.k12.oh.us/domain/1498.

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 6-30-18

Name	Began	Expires	Profession
Steven DiMauro (Vice-President)	01-01-08	12-31-21	Industry Solutions Executive IBM
James Field	01-01-12	12-31-19	Manager, Heinen's Fine Foods
Tom Tobin	01-01-16	12-31-19	President, American Endowment Foundation
Alisa Wright	01-01-18	12-31-21	Attorney
David Zuro (President)	01-01-10	12-31-21	Retired Telecommunications Manager

ADMINISTRATION – as of 6-30-18

Name	Position
Phillip Herman	Superintendent
Kathryn Sines	Treasurer
Doreen Osmun	Assistant Superintendent and Director of Curriculum & Instruction
Lisa Hunt	Director of Human Resources
Kelly Kempf	Director of Pupil Services
Steve Marlow	Director of Operations
Natalie Wininger	Supervisor of Special Services

Employee Relations

The District currently has approximately 623 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 2017-18 fiscal year, the District's fleet of 54 buses traveled 2,932 miles each day providing transportation services to 2,557 public and 177 private and parochial students. The Nutrition Services Department served an average of 2,662 meals daily for a total of 457,785 meals annually through the District's school lunchrooms.

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 14 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 the instructional programs. The District offers regular instructional programs daily to students in grades pre-kindergarten to twelve. The District served approximately 674 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. The District provides, through its Community Education and Recreation Department, 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 2018

We are very proud of the many accolades the Hudson City Schools are recognized for each school year. However, we are most proud of our students and the learning they engage in every day so they can be successful and happy and learn in a school environment where they are cared for every day. Our staff strives to focus on building positive relationships with our students, parents, community members, and one another. The District is dedicated to creating opportunities where our students can create, think, wonder, fail, and explore. We are committed to on-going professional learning so we can be our best for our students.

Our district's programming provides opportunities for all students to reach their full potential. Some of our celebrations are:

- Technology: Curriculum incorporates digital learning and technology beginning with the youngest students. Students have access to computer labs and work stations in all of the media centers. i-pads are used in grades K, 1, and 2. Chrome Books are utilized by students and teachers in grades K-12. The student to computer device ration is 1:1 in grades 3-12 and approximately 1:1.6 students in grades pre K-2. Currently we have over 4,600 Chrome Books and approximately 300 i-pads.
- 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. Our schools also have an Energy Star rating.
- Ellsworth Hill and Hudson Middle School have school gardens that are part of some of the project-based learning opportunities. The harvest is often shared with our school cafeteria.
- Entrepreneurship Education: East Woods students participate in "Lemonade Day," a national program that teaches students entrepreneurial and business skills. Fifth grade students create and launch their own business. Ellsworth Hill students work with high school students on entrepreneurship projects.
- Kindergarten students at Evamere conducted market research on where to find the best ice cream in Hudson. The students then created a brochure which was published and shared with all incoming families. These brochures can also be found at the Chamber of Commerce and local businesses.
- Makerspace and creation spaces are areas in the schools where students can tinker with mini-robots, circuits, laser engravers, sewing machines, and many 3-D printers. Within these learning spaces it is not about the end product but rather learning and trying different ideas. At the High School the Makerspace Club has started to make items to sell

which ties in entrepreneurship. They collaborated with the Hudson Visitors' Center to 3-D print small mice to go on the Hudson clock tower ornament.

- Teams of teachers at McDowell Elementary, Middle School, and the High School were awarded approximately $55,000 from the GAR Foundation to support student learning.
- Students use 3-D technologies, such as Zspaces and augmentative sandboxes to 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.
  - New Dimensions – Interdisciplinary humanities course that includes psychology, philosophy, anthropology and sociology.
  - World Language – HHS offers six World Languages, including Spanish, Latin, French, German, Mandarin Chinese, and American Sign Language.
  - Offering College Credit Plus courses at Hudson High School. These courses are college-level courses taught at our own High School.
  - In the 2017-2018, the Service Learning program logged over 15,000 hours of community service.

Partnering with the Community: We value our partnerships with the Hudson Community. We are able to leverage local resources to positively impact the student experience. Community organizations such as Hudson Community First, Hudson Public Schools Foundation, Hudson Community Foundation, Burton D. Morgan Foundation, Hudson Public Schools Endowment Fund, Hudson Rotary, Kiwanis, and our local inter-faith community support the educational and social-emotional efforts of our students.

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.
- 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.
- Collaborative efforts with experts in their field:
  - Middle School curriculum includes Actors in Residence from The Great Lakes Theater to expand student knowledge by combining arts and education together in a week-long stage experience.
  - Sponsored by the PTO, authors of children's books annually visit elementary schools.
  - Video: Video is an important component of 21st century communications. HHS offers Digital Video Production. At the High School, Middle School and East Woods, McDowell, 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 46 clubs, Student Government, Junior Leadership Hudson, 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.
- 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 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 team staff member for the school year.
- 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.

- Gifted programing for students in grades 3-8 provided by a Gifted Intervention Specialist.
- English as a Second Language.
- Preschool for students with and without disabilities.
- 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, PBIS (Positive Behavior, Intervention, Supports).
- Partnered with 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.
- Guidance Counselors for all students (12.5 counselors).
- Health Services for all students RN, LPN, and Medical Assistants.
- Speech & Language Therapy, Occupational Therapy, Physical Therapy, and adaptive programs such as in physical education.
- 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.
  - APEX – on-line, virtual learning courses for high school students.
  - Elementary Supplemental Reading program, "Reading Club."

Providing strong programming also supports student's academic learning.

- Hudson City Schools were **one** of 23 Districts to earn an overall A on the 2018 State Report Card.
- Hudson Middle School consistently ranks in the top 2% Middle Schools in the state.
- #8 ranked public high school in Ohio and #1 in Northeast Ohio according to *US News & World Report* (May, 2018).
- 8 Hudson High School students have posted perfect "36" Composite Scores on the ACT in the past 2 years.
- 25 Advanced Placement courses are offered. All AP students must take the Advanced Placement test.
- 195 Hudson High School students were inducted into membership in the National Honor Society.
- 211 Hudson High School graduates in the class of 2018 earned the State of Ohio Honors Diploma.
- 194 seniors graduated with designated honors in 2018: 87 earned Cum Laude honors (3.67-3.99); 65 earned Magna Cum Laude honors (4.00-4.32); 42 earned Summa Cum Laude honors (4.33 and above).

Financial Reporting

For the fiscal year ended June 30, 2018, 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 2018. 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 is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond. The basis of accounting and the various funds utilized by the District are fully described in Note 1 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 1.

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

Independent Audit

State statutes require an annual audit by independent accountants. Charles E. Harris & Associates conducted the District's 2018 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:

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the nineteenth 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 Comprehensive Annual 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 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting Award for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the nineteenth 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 Comprehensive Annual 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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

Acknowledgments

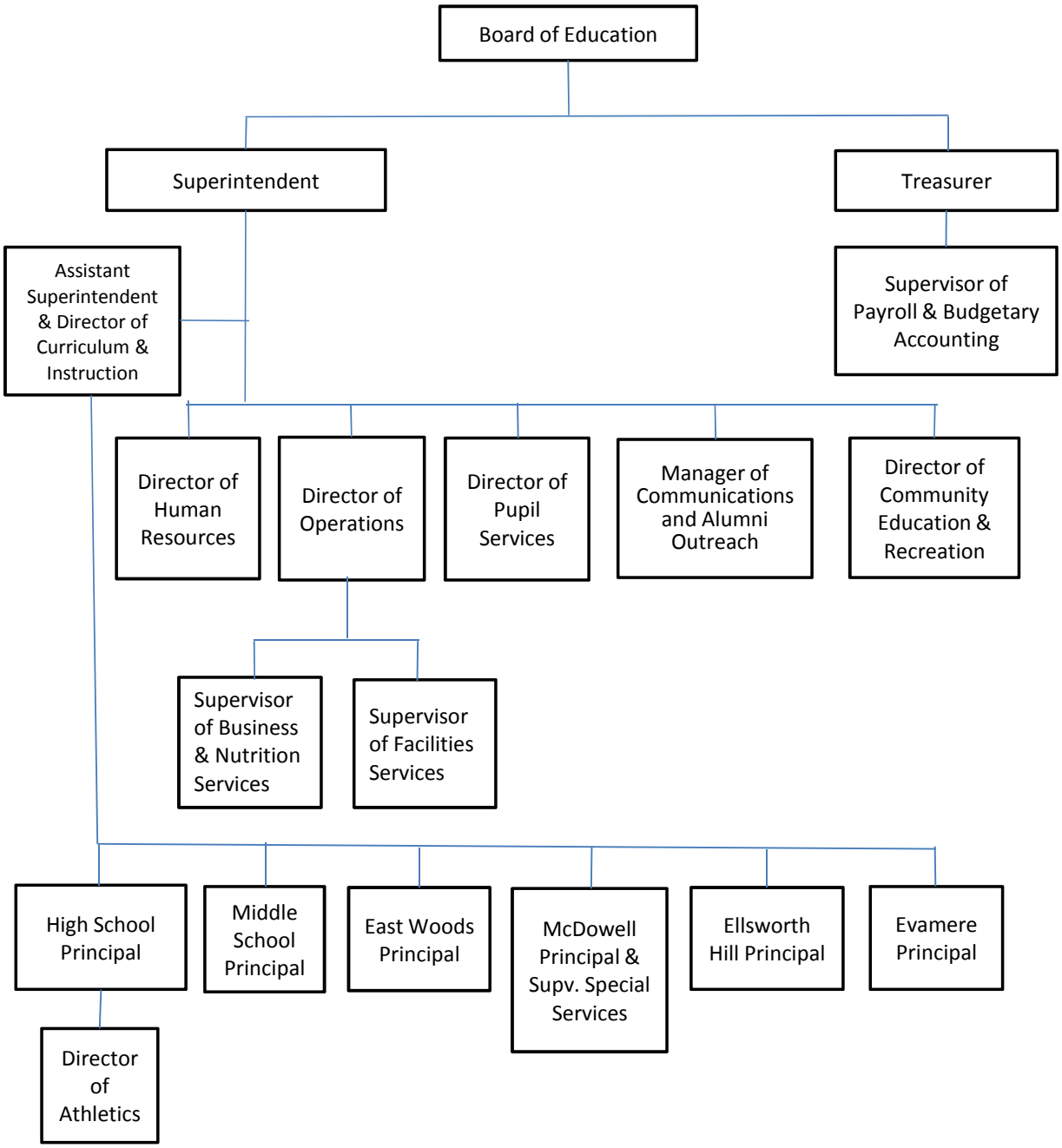
The continued publication of this report is an indication of the District's commitment to be accountable to our investors, the residents of the Hudson City School District, and to our customers, the students.

The preparation and publication of this Comprehensive Annual 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 Steve Marlow, Director of Operations, for maintaining the District's Capital Asset Records; to Doreen Osmun, Assistant Superintendent and Director of Curriculum & Instruction, for her contributions to the Curricular Initiatives section; to Sheryl Sheatzley, 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,

Kathryn L. Sines	Phillip Herman
Treasurer	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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

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 Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306

Charles E. Harris & Associates, Inc.
Certified Public Accountants

Office phone - (216) 575-1630
Fax - (216) 436-2411

INDEPENDENT AUDITOR'S REPORT

Hudson City School District
Summit County
2386 Hudson-Aurora Road
Hudson, Ohio 44236

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the 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, 2018, and the respective changes in financial position and where applicable, cash flows, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended June 30, 2018, the District adopted new guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension liabilities, net postemployment liabilities, pension contributions, and other postemployment contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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, to 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.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 21, 2018

THIS PAGE IS INTENTIONALLY LEFT BLANK

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

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, 2018. 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 2018 are as follows:

- In total, net position increased $37,456,221 from 2017's net position, as restated. Net position of governmental activities increased $37,194,494 and net position of business-type activities increased $261,727.

- Total governmental activities revenues were $76,672,757. General revenues related to governmental activities accounted for $67,718,315 or 88.32% of all revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for $8,954,442 or 11.68% of total revenues.

- The District had $39,478,263 in expenses related to governmental activities; only $8,954,442 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 $67,718,315 were adequate to provide for these programs.

- The District had $1,318,933 in expenses related to business-type activities; program specific revenues in the form of charges for services amounted to $1,492,116. Business-type activities also received general revenues of $88,544 in the form of grants.

- The District's major governmental funds are the general fund and the building fund. The general fund had $65,747,757 in revenues and other financing sources and $63,077,839 in expenditures and other financing uses. This resulted in an increase in fund balance from $30,850,123 to $33,520,041.

- The building fund had $83,372,348 in revenues and other financing sources and $1,838,665 in expenditures and other financing uses, resulting in an increase in fund balance of $81,533,683.

- The District issued general obligation bonds in fiscal year 2018 in the amount of $81.55 million. The bond proceeds are being used to finance various capital improvements throughout the District, including the construction of a new middle school.

Using the Comprehensive Annual Financial Report (CAFR)

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 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 2018?" 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.

The District's statement of net position and statement of activities can be found on pages F 21 - F 23 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F 15. 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. The basic governmental fund financial statements can be found on pages F 24 - F 28 of this report.

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. The basic proprietary fund financial statements can be found on pages F 29 - F 31 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in two agency funds. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages F 32 - F 33. 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. These notes to the basic financial statements can be found on pages F 35 - F 82 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability. The required supplementary information can be found on pages F 84 - F 97 of this report.

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 2018 and 2017. Net position at June 30, 2017 has been restated as described in Note 2.A.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	(Restated) 2017	2018	(Restated) 2017	2018	(Restated) 2017
Assets						
Current assets	$ 179,370,747	$ 81,728,048	$ 1,389,569	$ 1,292,281	$ 180,760,316	$ 83,020,329
Capital assets, net	56,894,545	57,059,076	-	-	56,894,545	57,059,076
Total assets	236,265,292	138,787,124	1,389,569	1,292,281	237,654,861	140,079,405
Deferred outflows of resources						
Other amounts	1,291,277	1,372,405	-	-	1,291,277	1,372,405
Pension	22,650,876	19,263,885	279,782	285,733	22,930,658	19,549,618
OPEB	768,494	156,992	36,858	7,057	805,352	164,049
Total deferred outflows of resources	24,710,647	20,793,282	316,640	292,790	25,027,287	21,086,072
Liabilities						
Current liabilities	9,806,733	7,729,004	123,233	125,250	9,929,966	7,854,254
Long-term liabilities:						
Due within one year	5,399,241	1,584,316	13,465	8,845	5,412,706	1,593,161
Net pension liability	77,577,324	107,200,357	1,059,283	1,253,576	78,636,607	108,453,933
Net OPEB liability	17,678,767	22,117,747	422,583	424,206	18,101,350	22,541,953
Other amounts	102,160,210	21,216,693	17,744	16,407	102,177,954	21,233,100
Total liabilities	212,622,275	159,848,117	1,636,308	1,828,284	214,258,583	161,676,401
Deferred inflows of resources						
Other amounts	45,641,292	39,173,715	-	-	45,641,292	39,173,715
Pension	4,992,953	2,243,672	35,779	27,137	5,028,732	2,270,809
OPEB	2,210,023	-	42,745	-	2,252,768	-
Total deferred inflows of resources	52,844,268	41,417,387	78,524	27,137	52,922,792	41,444,524
Net Position						
Net investment in capital assets	39,999,721	40,576,526	-	-	39,999,721	40,576,526
Restricted	7,341,961	1,694,486	-	-	7,341,961	1,694,486
Unrestricted	(51,832,286)	(83,956,110)	(8,623)	(270,350)	(51,840,909)	(84,226,460)
Total net position	$ (4,490,604)	$ (41,685,098)	$ (8,623)	$ (270,350)	$ (4,499,227)	$ (41,955,448)

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the School District 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 a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from $(19,577,544) to $(41,955,448).

As the table on page F 6 illustrates, the most significant changes in net position were related to the District's net pension and net OPEB liability and the related deferred inflows/outflows of resources. See Note 12 and Note 13 in the notes to the basic financial statements for additional information regarding these components of net position. Other than these components, net position for the business-type activities remained comparable to the prior year.

Other significant changes for the governmental activities include the following:

- An increase in current assets of $97,642,699. This is primarily the result of unspent bond issuance proceeds of approximately $84.5 million, and an increase in property taxes receivable of approximately $7.1 million, mostly due to the new debt service levy to pay off the bonds.

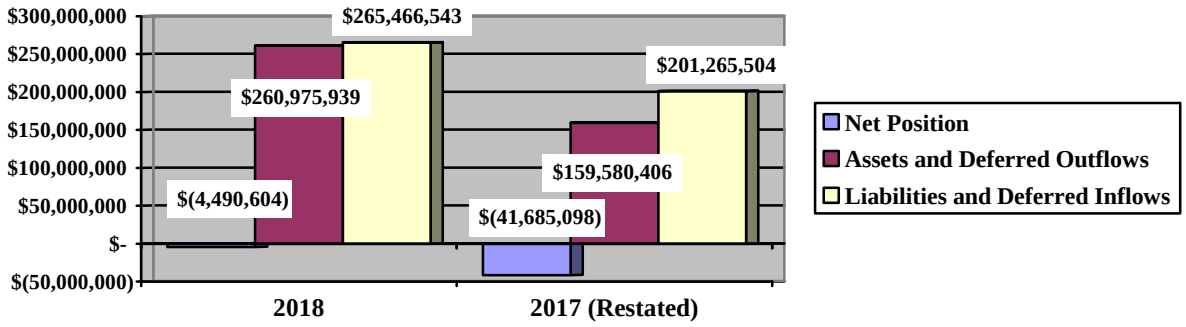
- An increase in current liabilities of $2,077,729, due to additional accounts payable and accrued interest payable on long-term debt.

- An increase in long-term liabilities - other amounts of $80,943,517 due to the aforementioned bond issuance.

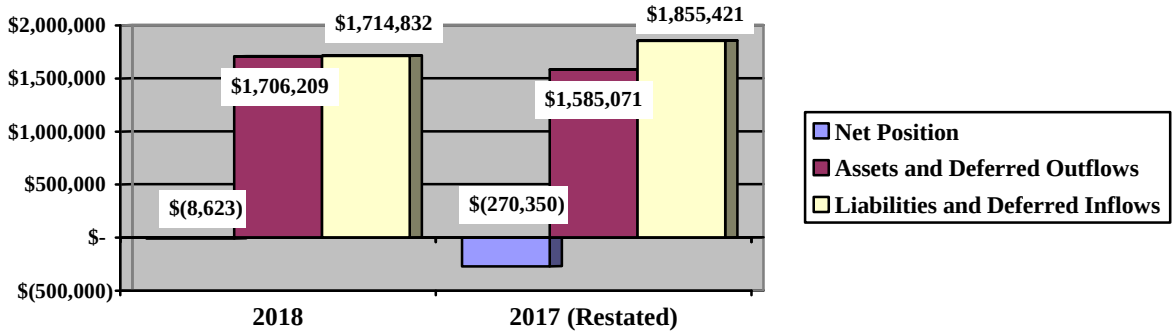
A portion of the District's net position, or $7,341,961, represents resources that are subject to external restriction on how they may be used. The net investment in capital assets makes up another $39,999,721. The remaining unrestricted portion of the District's net position is a deficit of $51,832,286.

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, 2018 and June 30, 2017. The amounts at June 30, 2017 have been restated as described in Note 2.A.

Governmental Activities



Business-Type Activities



The table that follows shows the changes in net position for fiscal years 2018 and 2017. Net position at June 30, 2017 has been restated as described in Note 2.A.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(UNAUDITED)

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	(Restated) 2017	2018	(Restated) 2017	2018	(Restated) 2017
Revenues						
Program revenues:						
Charges for services and sales	$ 3,575,939	$ 3,293,692	$1,492,116	$1,443,154	$ 5,068,055	$ 4,736,846
Operating grants and contributions	5,304,558	5,441,183	-	-	5,304,558	5,441,183
Capital grants and contributions	73,945	70,605	-	-	73,945	70,605
General revenues:						
Property taxes	49,265,537	38,551,749	-	-	49,265,537	38,551,749
Payments in lieu of taxes	658,751	566,274	-	-	658,751	566,274
Unrestricted grants and entitlements	16,768,399	17,952,080	88,544	56,635	16,856,943	18,008,715
Investment earnings	634,979	332,259	-	-	634,979	332,259
Miscellaneous	390,649	421,053	-	-	390,649	421,053
Total revenues	76,672,757	66,628,895	1,580,660	1,499,789	78,253,417	68,128,684
Expenses						
Instruction:						
Regular	14,523,016	30,223,535	-	-	14,523,016	30,223,535
Special	4,090,861	10,092,995	-	-	4,090,861	10,092,995
Vocational	181,299	369,409	-	-	181,299	369,409
Other	1,578,566	1,261,399	-	-	1,578,566	1,261,399
Support services:						
Pupil	2,678,981	4,996,693	-	-	2,678,981	4,996,693
Instructional staff	1,086,954	2,293,445	-	-	1,086,954	2,293,445
Board of education	145,139	78,835	-	-	145,139	78,835
Administration	1,111,112	4,414,001	-	-	1,111,112	4,414,001
Fiscal	931,623	1,411,686	-	-	931,623	1,411,686
Business	219,975	663,107	-	-	219,975	663,107
Operations and maintenance	3,861,761	5,786,325	-	-	3,861,761	5,786,325
Pupil transportation	4,200,710	3,890,981	-	-	4,200,710	3,890,981
Central	313,408	568,679	-	-	313,408	568,679
Operation of non-instructional services:						
Food service operations	1,008,011	1,615,311	-	-	1,008,011	1,615,311
Other non-instructional services	39,015	50,180	-	-	39,015	50,180
Extracurricular activities	1,250,184	1,978,779	-	-	1,250,184	1,978,779
Interest and fiscal charges on long-term debt	2,257,648	766,121	-	-	2,257,648	766,121
Community education	-	-	1,318,933	1,467,886	1,318,933	1,467,886
Total expenses	39,478,263	70,461,481	1,318,933	1,467,886	40,797,196	71,929,367
Changes in net position	37,194,494	(3,832,586)	261,727	31,903	37,456,221	(3,800,683)
Net position at beginning of year	(41,685,098)	N/A	(270,350)	N/A	(41,955,448)	N/A
Net position at end of year	$ (4,490,604)	$ (41,685,098)	$ (8,623)	$ (270,350)	$ (4,499,227)	$ (41,955,448)

Governmental Activities

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $156,992 computed under GASB 45. GASB 45 required recognizing OPEB expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of $2,646,817. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	$ 39,478,263
Negative OPEB expense under GASB 75	2,646,817
2018 contractually required contributions	193,642
Adjusted 2018 program expenses	42,318,722
Total 2017 program expenses under GASB 45	70,461,481
Decrease in program expenses not related to OPEB	$ (28,142,759)

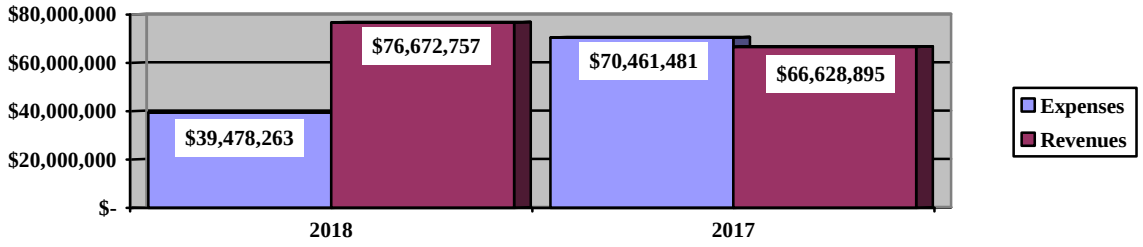
Net position of the District's governmental activities increased $37,194,494 due to an increase in revenues combined with a decrease in expenses.

Total revenues for governmental activities increased $10,043,862 or 15.07%, mostly due to an increase in property taxes revenue. Collections increased in fiscal year 2018 as a result of higher assessed property values in addition to a new debt service tax levy which became effective January 1, 2018. The increase in property taxes was sufficient to cover a decrease in unrestricted grants and entitlements, which resulted from the continued phase-out of tangible personal property tax loss reimbursements from the State.

Expenses of the governmental activities decreased $30,983,218 or 43.97%. This is primarily the result of the State Teachers Retirement System (STRS) indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employees Retirement System (SERS) lowering the COLA from 3.00% to 2.50%. On an accrual basis, the District reported $(24,817,454) in pension expense and $(2,646,817) in OPEB expense mainly due to these benefit changes.

The following graph presents the District's governmental activities revenues and expenses for fiscal years 2018 and 2017.

Governmental Activities - Revenues and Expenses



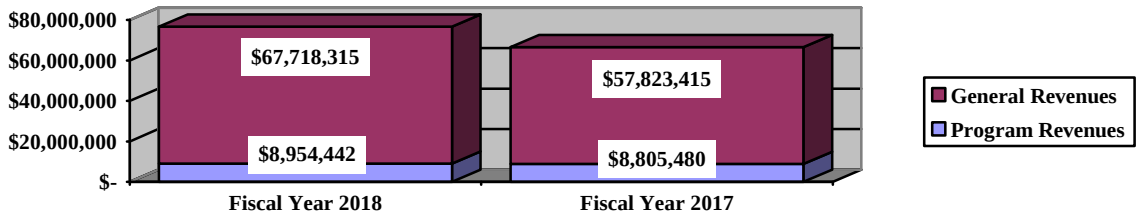
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2018 and 2017. That is, it identifies the cost of these services supported by taxes revenue and unrestricted grants and entitlements.

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Program expenses:				
Instruction:				
Regular	$ 14,523,016	$ 11,601,228	$ 30,223,535	$ 27,168,533
Special	4,090,861	1,906,878	10,092,995	8,162,910
Vocational	181,299	151,818	369,409	333,601
Other	1,578,566	1,555,508	1,261,399	1,242,392
Support services:				
Pupil	2,678,981	1,684,713	4,996,693	3,828,110
Instructional staff	1,086,954	1,008,940	2,293,445	2,230,367
Board of education	145,139	145,139	78,835	78,835
Administration	1,111,112	923,414	4,414,001	4,232,582
Fiscal	931,623	931,623	1,411,686	1,411,686
Business	219,975	219,975	663,107	663,107
Operations and maintenance	3,861,761	3,841,097	5,786,325	5,763,540
Pupil transportation	4,200,710	4,200,710	3,890,981	3,890,981
Central	313,408	313,408	568,679	568,069
Operation of non-instructional services:				
Food service operations	1,008,011	(537,359)	1,615,311	105,489
Other non-instructional services	39,015	6,320	50,180	23,768
Extracurricular activities	1,250,184	312,761	1,978,779	1,185,910
Interest on long-term debt	2,257,648	2,257,648	766,121	766,121
Total expenses	$ 39,478,263	$ 30,523,821	$ 70,461,481	$ 61,656,001

The dependence upon tax revenues during fiscal year 2018 for governmental activities is apparent, as 74.68% of 2018 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 77.32% in 2018. 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 2018 and 2017.

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the District's community education program which had operating revenues of $1,492,116 and operating expenses of $1,318,933 for fiscal year 2018, resulting in operating income of $173,183. Operating revenues increased 3.39% compared to the prior year, whereas operating expenses decreased 10.15%. The decrease in expenses is primarily due to changes in the COLA reported by STRS and SERS, as described on page F 11. The change in net position for the fiscal year 2018 was an increase of $261,727. These operations are 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 $122,598,786, which is $90,232,948 higher than last year's total. The schedule below indicates the fund balance as of June 30, 2018 and 2017, and the total change in fund balance.

	Fund Balance June 30, 2018	Fund Balance June 30, 2017	Change
General fund	$ 33,520,041	$ 30,850,123	$ 2,669,918
Building fund	81,951,331	417,648	81,533,683
Nonmajor governmental funds	7,127,414	1,098,067	6,029,347
Total	$ 122,598,786	$ 32,365,838	$90,232,948

General Fund

Fund balance for the general fund increased $2,669,918 or 8.65%. 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 51.30% of total general fund expenditures, while total fund balance represents 53.60% of that same amount.

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

	2018 Amount	2017 Amount	Percentage Change
Revenues			
Property taxes	$ 44,769,905	$ 37,540,120	19.26 %
Payments in lieu of taxes	658,751	566,274	16.33 %
Tuition	1,000,995	814,892	22.84 %
Interest earnings	447,398	303,765	47.28 %
Intergovernmental	16,393,747	17,594,005	(6.82) %
Other revenues	1,263,839	1,236,821	2.18 %
Total	$ 64,534,635	$ 58,055,877	11.16 %

The overall increase in revenues is mostly due to the increased property taxes revenue. This is a result of; a) higher collections due to an increase in assessed property values, and b) fluctuations in the amount of tax advances available at year-end. Payments in lieu of taxes increased as the District received additional reimbursements related to various tax abatement agreements. Tuition also increased due to revenues from the District's elementary schools. The increase in interest earnings is a result of additional investments in interest-bearing securities, as well as higher interest rates on those investments.

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

	2018 Amount	2017 Amount	Percentage Change
Expenditures			
Instruction	$ 38,010,717	$ 35,079,933	8.35 %
Support services	22,478,605	21,301,929	5.52 %
Other non-instructional services	9,053	14,814	(38.89) %
Extracurricular activities	1,388,245	1,204,049	15.30 %
Debt service	645,219	633,221	1.89 %
Total	$ 62,531,839	$ 58,233,946	7.38 %

General fund expenditures in fiscal year 2018 were $4,297,893 or 7.38% higher than in fiscal year 2017. This increase is partly due to higher wages and employee benefits costs, particularly for the District's certified teaching staff. In addition, the District entered into a capital lease transaction of approximately $1.2 million during fiscal year 2018 to acquire copiers. This is reported as an instruction expenditure.

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 $1,322,348 and expenditures of $600,665 in fiscal year 2018. In addition, the building fund reported other financing sources (sale of bonds and transfers in) of $82,050,000 and other financing uses (transfers out) of $1,238,000, resulting in a net change in fund balance of $81,533,683. The bonds issued in 2018 are being used to finance various capital improvements throughout the District, including the construction of a new middle school.

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 13 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 $66,430,007. This was increased slightly to $68,522,740 in the final budget. Actual revenues and other financing sources were $63,541,218, or $4,981,522 (7.27%) less than the final budget, primarily due to lower than expected property tax collections and intergovernmental reimbursements from the State.

General fund original and final budget appropriations (expenditures and other financing uses) were $63,771,206. The actual budget basis expenditures and other financing uses for fiscal year 2018 totaled $61,967,011, which is $1,804,195 (2.83%) less than the final budget appropriations. The District routinely appropriates more resources than actually projected to reflect what expenditures would be in a worst-case scenario in order to ensure a sufficient general fund carryover balance.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2018, the District had $56,894,545 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles and computer software. This entire amount is reported in governmental activities.

The following table shows fiscal year 2018 balances compared to 2017:

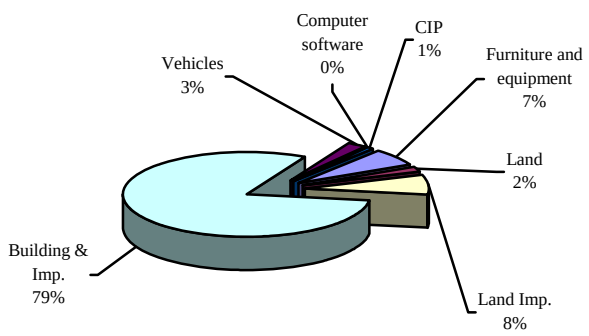
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2018	2017
Land	$ 1,032,204	$ 1,032,204
Construction in progress (CIP)	444,165	-
Land improvements	4,322,623	4,482,595
Building and improvements	45,748,796	46,896,497
Furniture and equipment	3,871,362	3,191,443
Vehicles	1,456,567	1,431,092
Computer software	18,828	25,245
Total	$ 56,894,545	$ 57,059,076

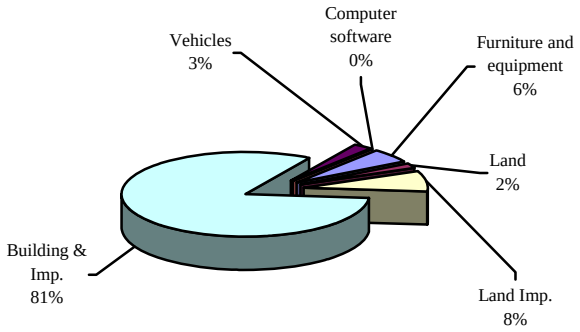
The overall decrease in capital assets is a result of depreciation expense of $2,349,504 and net disposals of $358,556 slightly exceeding capital asset additions of $2,543,529. Significant capital asset activity for the year included a roof replacement project at the High School, the acquisition of copiers District-wide, and the acquisition of buses and other vehicles to replace older vehicles that had reached the end of their useful lives.

The following graphs show the breakdown of governmental activities capital assets by category for 2018 and 2017.

Capital Assets - Governmental Activities
2018



Capital Assets - Governmental Activities
2017



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, 2018, the District had $100,140,888 in general obligation bonds, certificates of participation and capital leases outstanding. Of this total, $4,967,944 is due within one year and $95,172,944 is due in greater than one year. The following table summarizes the District's outstanding debt.

Outstanding Debt, at Year End

	Governmental Activities 2018	Governmental Activities 2017
Energy Conservation Bonds	$ 905,000	$ 1,105,000
Qualified School Construction Bonds	1,135,000	1,285,000
Certificates of Participation	15,525,000	16,165,000
School Improvement Bonds - Series 2018	81,550,000	-
Capital Leases	1,025,888	355,113
Total	$ 100,140,888	$ 18,910,113

All bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Additions to long-term debt in fiscal year 2018 included general obligation bonds of $81,550,000 and a capital lease in the amount of $1,190,970 to replace copiers acquired under a previous capital lease. Total debt retirements for the year amounted to $1,510,195.

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 $35,140,285 at June 30, 2018. Fiscal year-end general fund cash balances were $32,302,679, $29,016,141, $24,398,732 and $19,504,427 at June 30 in fiscal years 2017, 2016, 2015 and 2014, 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 69.2% of all cash receipts for the general fund in fiscal year 2018. 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 (14.0%).

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. These revenues comprised 16.9% of total general fund cash receipts in fiscal year 2018. The District is on the funding guarantee which means that the District will receive an adjusted total funding amount that is at least equal to the amount received in fiscal year 2018, or approximately $10.9 million.

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 Mrs. Kathryn L. Sines, Treasurer/CFO, Hudson City School District, 2386 Hudson-Aurora Road, Hudson, Ohio 44236 or by calling (330) 653-1270.

THIS PAGE IS INTENTIONALLY LEFT BLANK

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	$ 125,928,469	$ 1,388,582	$ 127,317,051
Receivables:			
Property taxes	51,691,008	-	51,691,008
Payment in lieu of taxes	536,131	-	536,131
Intergovernmental	568,033	-	568,033
Accrued interest	499,942	-	499,942
Prepayments	89,377	987	90,364
Materials and supplies inventory	48,301	-	48,301
Inventory held for resale	9,486	-	9,486
Capital assets:			
Nondepreciable capital assets	1,476,369	-	1,476,369
Depreciable capital assets, net	55,418,176	-	55,418,176
Capital assets, net	56,894,545	-	56,894,545
Total assets	236,265,292	1,389,569	237,654,861
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	1,291,277	-	1,291,277
Pension	22,650,876	279,782	22,930,658
OPEB	768,494	36,858	805,352
Total deferred outflows of resources	24,710,647	316,640	25,027,287
Liabilities:			
Accounts payable	812,269	50,778	863,047
Contracts payable	217,216	-	217,216
Accrued wages and benefits payable	5,875,675	57,172	5,932,847
Pension and postemployment benefits payable	934,208	14,445	948,653
Intergovernmental payable	185,651	838	186,489
Accrued interest payable	1,056,328	-	1,056,328
Claims payable	725,386	-	725,386
Long-term liabilities:			
Due within one year	5,399,241	13,465	5,412,706
Due in more than one year:			
Net pension liability (See Note 12)	77,577,324	1,059,283	78,636,607
Net OPEB liability (See Note 13)	17,678,767	422,583	18,101,350
Other amounts due in more than one year	102,160,210	17,744	102,177,954
Total liabilities	212,622,275	1,636,308	214,258,583
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	45,105,161	-	45,105,161
Payment in lieu of taxes levied for the next fiscal year	536,131	-	536,131
Pension	4,992,953	35,779	5,028,732
OPEB	2,210,023	42,745	2,252,768
Total deferred inflows of resources	52,844,268	78,524	52,922,792
Net position:			
Net investment in capital assets	39,999,721	-	39,999,721
Restricted for:			
Capital projects	1,117,574	-	1,117,574
Debt service	5,402,194	-	5,402,194
Locally funded programs	102,193	-	102,193
State funded programs	143,304	-	143,304
Federally funded programs	123,004	-	123,004
Student activities	206,959	-	206,959
Other purposes	246,733	-	246,733
Unrestricted (deficit)	(51,832,286)	(8,623)	(51,840,909)
Total net position (deficit)	$ (4,490,604)	$ (8,623)	$ (4,499,227)

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, 2018

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction:				
Regular	$ 14,523,016	$ 1,177,962	$ 1,736,959	$ 6,867
Special	4,090,861	50,544	2,133,439	-
Vocational	181,299	-	29,481	-
Other	1,578,566	12,258	10,800	-
Support services:				
Pupil	2,678,981	207,697	786,571	-
Instructional staff	1,086,954	13,244	64,770	-
Board of education	145,139	-	-	-
Administration	1,111,112	-	187,698	-
Fiscal	931,623	-	-	-
Business	219,975	-	-	-
Operations and maintenance	3,861,761	17,703	2,961	-
Pupil transportation	4,200,710	-	-	-
Central	313,408	-	-	-
Operation of non-instructional services:				
Food service operations	1,008,011	1,295,372	249,998	-
Other non-instructional services	39,015	3,650	29,045	-
Extracurricular activities	1,250,184	797,509	72,836	67,078
Interest and fiscal charges on long-term debt	2,257,648	-	-	-
Total governmental activities	39,478,263	3,575,939	5,304,558	73,945
Business-type activities:				
Community education	1,318,933	1,492,116	-	-
Totals	$ 40,797,196	$ 5,068,055	$ 5,304,558	$ 73,945

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 (restated)

Net position (deficit) 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
$ (11,601,228)	$ -	$ (11,601,228)
(1,906,878)	-	(1,906,878)
(151,818)	-	(151,818)
(1,555,508)	-	(1,555,508)
(1,684,713)	-	(1,684,713)
(1,008,940)	-	(1,008,940)
(145,139)	-	(145,139)
(923,414)	-	(923,414)
(931,623)	-	(931,623)
(219,975)	-	(219,975)
(3,841,097)	-	(3,841,097)
(4,200,710)	-	(4,200,710)
(313,408)	-	(313,408)
537,359	-	537,359
(6,320)	-	(6,320)
(312,761)	-	(312,761)
(2,257,648)	-	(2,257,648)
(30,523,821)	-	(30,523,821)
-	173,183	173,183
(30,523,821)	173,183	(30,350,638)
44,520,840	-	44,520,840
3,456,419	-	3,456,419
1,288,278	-	1,288,278
658,751	-	658,751
16,768,399	88,544	16,856,943
634,979	-	634,979
390,649	-	390,649
67,718,315	88,544	67,806,859
37,194,494	261,727	37,456,221
(41,685,098)	(270,350)	(41,955,448)
$ (4,490,604)	$ (8,623)	$ (4,499,227)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 35,140,285	$ 81,901,532	$ 7,232,540	$ 124,274,357
Receivables:				
Property taxes	44,957,338	-	6,733,670	51,691,008
Payment in lieu of taxes	536,131	-	-	536,131
Intergovernmental	174,978	27,091	365,964	568,033
Accrued interest	293,482	206,460	-	499,942
Due from other funds	119,828	-	-	119,828
Prepayments	86,273	-	3,104	89,377
Materials and supplies inventory	48,160	-	141	48,301
Inventory held for resale	-	-	9,486	9,486
Total assets	$ 81,356,475	$ 82,135,083	$ 14,344,905	$ 177,836,463
Liabilities:				
Accounts payable	$ 388,983	$ -	$ 422,996	$ 811,979
Contracts payable	-	9,152	208,064	217,216
Accrued wages and benefits payable	5,591,841	2,263	281,571	5,875,675
Compensated absences payable	194,856	-	1,274	196,130
Pension and postemployment benefits payable	885,859	-	48,349	934,208
Intergovernmental payable	181,253	-	4,398	185,651
Claims payable	18,529	-	-	18,529
Due to other funds	-	-	119,828	119,828
Total liabilities	7,261,321	11,415	1,086,480	8,359,216
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	39,167,934	-	5,937,227	45,105,161
Payment in lieu of taxes levied for the next fiscal year	536,131	-	-	536,131
Delinquent property tax revenue not available	650,437	-	70,780	721,217
Accrued interest not available	220,611	172,337	-	392,948
Intergovernmental revenue not available	-	-	123,004	123,004
Total deferred inflows of resources	40,575,113	172,337	6,131,011	46,878,461
Fund balances:				
Nonspendable:				
Materials and supplies inventory	48,160	-	141	48,301
Prepayments	86,273	-	3,104	89,377
Restricted:				
Debt service	-	-	6,394,498	6,394,498
Capital improvements	-	81,951,331	75,311	82,026,642
Food service operations	-	-	294,941	294,941
Non-public schools	-	-	148,833	148,833
Extracurricular activities	-	-	206,921	206,921
Other purposes	-	-	103,296	103,296
Assigned:				
Student instruction	288,439	-	-	288,439
Student and staff support	759,533	-	-	759,533
Rotary services	227,103	-	-	227,103
Other purposes	29,762	-	-	29,762
Unassigned (deficit)	32,080,771	-	(99,631)	31,981,140
Total fund balances	33,520,041	81,951,331	7,127,414	122,598,786
Total liabilities, deferred inflows of resources and fund balances	$ 81,356,475	$ 82,135,083	$ 14,344,905	$ 177,836,463

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, 2018

Total governmental fund balances		$	122,598,786
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.			56,894,545
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.			
Property taxes receivable	$ 721,217		
Accrued interest receivable	392,948		
Intergovernmental receivable	123,004		
Total			1,237,169
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.			946,965
Unamortized premiums on bonds issued are not recognized in the funds.			(3,590,364)
Deferred amounts on refundings are not recognized in the funds.			1,291,277
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(1,056,328)
The net pension liability is not due and payable in the current period, therefore, the liability and related deferred inflows and outflows of resources are not reported in governmental funds.			
Deferred outflows of resources - pension	22,650,876		
Deferred inflows of resources - pension	(4,992,953)		
Net pension liability	(77,577,324)		
Total			(59,919,401)
The net OPEB liability is not due and payable in the current period, therefore, the liability and related deferred inflows and outflows of resources are not reported in governmental funds.			
Deferred outflows of resources - OPEB	768,494		
Deferred inflows of resources - OPEB	(2,210,023)		
Net OPEB liability	(17,678,767)		
Total			(19,120,296)
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	(83,590,000)		
Certificates of participation	(15,525,000)		
Capital lease obligations	(1,025,888)		
Compensated absences	(3,632,069)		
Total			(103,772,957)
Net position of governmental activities		$	(4,490,604)

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, 2018

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 44,769,905	$ -	$ 4,696,219	$ 49,466,124
Payment in lieu of taxes	658,751	-	-	658,751
Tuition	1,000,995	-	-	1,000,995
Earnings on investments	447,398	(170,335)	7,851	284,914
Charges for services	1,454	-	1,295,372	1,296,826
Extracurricular	531,583	-	397,509	929,092
Classroom materials and fees	334,060	-	-	334,060
Other local revenues	396,742	-	251,612	648,354
Intergovernmental - intermediate	-	1,492,683	33,155	1,525,838
Intergovernmental - state	16,393,747	-	2,180,306	18,574,053
Intergovernmental - federal	-	-	1,798,717	1,798,717
Total revenues	64,534,635	1,322,348	10,660,741	76,517,724
Expenditures:				
Current:				
Instruction:				
Regular	27,274,019	-	2,244,241	29,518,260
Special	8,913,623	-	819,991	9,733,614
Vocational	294,134	-	2,000	296,134
Other	1,528,941	-	49,625	1,578,566
Support services:				
Pupil	4,269,094	-	790,709	5,059,803
Instructional staff	2,147,235	-	65,165	2,212,400
Board of education	150,458	-	-	150,458
Administration	4,155,107	-	185,059	4,340,166
Fiscal	1,349,798	-	110,556	1,460,354
Business	653,470	-	-	653,470
Operations and maintenance	5,198,448	-	7,746	5,206,194
Pupil transportation	3,958,886	-	236,799	4,195,685
Central	596,109	-	-	596,109
Operation of non-instructional services:				
Food service operations	-	-	1,475,061	1,475,061
Other non-instructional services	9,053	-	29,962	39,015
Extracurricular activities	1,388,245	-	514,614	1,902,859
Facilities acquisition and construction	-	600,665	1,180,000	1,780,665
Debt service:				
Principal retirement	547,129	-	640,000	1,187,129
Interest and fiscal charges	98,090	-	583,214	681,304
Bond issuance costs	-	-	543,833	543,833
Total expenditures	62,531,839	600,665	9,478,575	72,611,079
Excess of revenues over expenditures	2,002,796	721,683	1,182,166	3,906,645
Other financing sources (uses):				
Premium on sale of bonds	-	-	3,560,314	3,560,314
Sale of bonds	-	81,550,000	-	81,550,000
Proceeds from sale of assets	22,152	-	2,867	25,019
Transfers in	-	500,000	1,284,000	1,784,000
Transfers (out)	(546,000)	(1,238,000)	-	(1,784,000)
Inception of capital lease	1,190,970	-	-	1,190,970
Total other financing sources (uses)	667,122	80,812,000	4,847,181	86,326,303
Net change in fund balances	2,669,918	81,533,683	6,029,347	90,232,948
Fund balances at beginning of year	30,850,123	417,648	1,098,067	32,365,838
Fund balances at end of year	$ 33,520,041	$ 81,951,331	$ 7,127,414	$ 122,598,786

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, 2018

Net change in fund balances - total governmental funds		$	90,232,948
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 expense.			
Capital asset additions	$ 2,543,529		
Current year depreciation	(2,349,504)		
Total			194,025
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.			(358,556)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Delinquent property taxes	(200,587)		
Accrued interest	357,916		
Intergovernmental	(2,296)		
Total			155,033
Repayment of principal on, and other retirements of, long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.			1,510,195
The sale of bonds and inception of capital leases are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.			(82,740,970)
Premiums on the sale of bonds are recorded as other financing sources in the funds; however, they are amortized over the life of the issuance in the statement of activities.			(3,560,314)
In the statement of activities, interest is accrued on long-term debt obligations, 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	(997,932)		
Amortization of bond premiums	46,549		
Amortization of deferred charges on refunding	(81,128)		
Total			(1,032,511)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows of resources.			5,443,289
Except for amounts reported as deferred inflows/outflows of resources, changes in the net pension liability are reported as pension expense in the statement of activities.			24,817,454
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows of resources.			193,642
Except for amounts reported as deferred inflows/outflows of resources, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.			2,646,817
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.			11,663
An internal service fund used by management to charge the costs of medical and dental insurance to individual funds is not reported in the 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.			(318,221)
Change in net position of governmental activities		$	37,194,494

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, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
From local sources:				
Property taxes	$ 45,297,964	$ 46,724,978	$ 44,483,161	$ (2,241,817)
Payment in lieu of taxes	597,455	616,277	658,751	42,474
Tuition	785,925	810,684	880,608	69,924
Earnings on investments	143,389	147,906	393,066	245,160
Extracurricular	316,108	326,066	295,063	(31,003)
Classroom materials and fees	116,830	120,510	104,378	(16,132)
Other local revenues	112,647	116,196	108,189	(8,007)
Intergovernmental - state	18,989,081	19,587,290	16,421,398	(3,165,892)
Total revenues	66,359,399	68,449,907	63,344,614	(5,105,293)
Expenditures:				
Current:				
Instruction:				
Regular	26,666,250	26,666,250	26,116,414	549,836
Special	9,106,351	9,106,351	8,860,348	246,003
Vocational	322,456	322,456	301,435	21,021
Other	1,983,892	1,983,892	1,673,341	310,551
Support services:				
Pupil	4,185,011	4,185,011	4,034,251	150,760
Instructional staff	2,468,247	2,468,247	2,126,063	342,184
Board of education	145,435	145,435	156,745	(11,310)
Administration	4,265,358	4,265,358	4,327,352	(61,994)
Fiscal	1,498,966	1,498,966	1,364,525	134,441
Business	673,063	673,063	651,502	21,561
Operations and maintenance	5,456,027	5,456,027	5,320,040	135,987
Pupil transportation	3,883,598	3,883,598	3,971,339	(87,741)
Central	843,122	843,122	803,163	39,959
Extracurricular activities	1,299,855	1,299,855	1,305,164	(5,309)
Debt service:				
Principal	350,000	350,000	350,000	-
Interest and fiscal charges	77,000	77,000	58,774	18,226
Total expenditures	63,224,631	63,224,631	61,420,456	1,804,175
Excess of revenues over expenditures	3,134,768	5,225,276	1,924,158	(3,301,118)
Other financing sources (uses):				
Proceeds from sale of assets	-	-	22,152	22,152
Refund of prior year's expenditures	70,608	72,833	174,452	101,619
Refund of prior year's receipts	(575)	(575)	(555)	20
Transfers (out)	(546,000)	(546,000)	(546,000)	-
Total other financing sources (uses)	(475,967)	(473,742)	(349,951)	123,791
Net change in fund balance	2,658,801	4,751,534	1,574,207	(3,177,327)
Fund balance at beginning of year	31,185,446	31,185,446	31,185,446	-
Prior year encumbrances appropriated	771,206	771,206	771,206	-
Fund balance at end of year	$ 34,615,453	$ 36,708,186	$ 33,530,859	$ (3,177,327)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	$ 1,388,582	$ 1,654,112
Prepayments	987	-
Total assets	1,389,569	1,654,112
Deferred outflows of resources:		
Pension	279,782	-
OPEB	36,858	-
Total deferred outflows of resources	316,640	-
Liabilities:		
Current liabilities:		
Accounts payable	50,778	290
Accrued wages and benefits	57,172	-
Compensated absences	13,465	-
Pension and postemployment benefits payable	14,445	-
Intergovernmental payable	838	-
Claims payable	-	706,857
Total current liabilities	136,698	707,147
Long-term liabilities:		
Compensated absences payable	17,744	-
Net pension liability	1,059,283	-
Net OPEB liability	422,583	-
Total long-term liabilities	1,499,610	-
Total liabilities	1,636,308	707,147
Deferred inflows of resources:		
Pension	35,779	-
OPEB	42,745	-
Total deferred inflows of resources	78,524	-
Net position:		
Unrestricted	(8,623)	946,965
Total net position	$ (8,623)	$ 946,965

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, 2018

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Operating revenues:		
Sales/charges for services.	$ 1,492,116	$ 9,716,028
Total operating revenues	1,492,116	9,716,028
Operating expenses:		
Personal services	471,091	26,245
Purchased services.	757,157	1,454,652
Materials and supplies.	35,536	500
Claims	-	8,552,852
Other.	55,149	-
Total operating expenses.	1,318,933	10,034,249
Operating income (loss)	173,183	(318,221)
Nonoperating revenues:		
Grants	88,544	-
Change in net position.	261,727	(318,221)
Net position (deficit) at beginning of year (restated)	(270,350)	1,265,186
Net position (deficit) at end of year	$ (8,623)	$ 946,965

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, 2018

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from sales/charges for services	$ 1,492,116	$ 9,716,028
Cash payments for personal services	(624,384)	(26,100)
Cash payments for contractual services	(772,869)	(1,454,362)
Cash payments for materials and supplies	(33,716)	(500)
Cash payments for claims	-	(8,553,266)
Cash payments for other expenses	(52,497)	-
Net cash provided by (used in) operating activities	8,650	(318,200)
Cash flows from noncapital financing activities:		
Cash received from grants	88,544	-
Net cash provided by noncapital financing activities	88,544	-
Net increase (decrease) in cash and investments	97,194	(318,200)
Cash and investments at beginning of year	1,291,388	1,972,312
Cash and investments at end of year	$ 1,388,582	$ 1,654,112
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 173,183	$ (318,221)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase) decrease in prepayments	(94)	145
Decrease in deferred outflows, pension	5,951	-
(Increase) in deferred outflows, OPEB	(29,801)	-
Increase (decrease) in accounts payable	(11,240)	290
Increase in accrued wages and benefits	6,871	-
Increase in intergovernmental payable	80	-
Increase in compensated absences payable	5,957	-
Increase in pension and postemployment benefits payable	2,272	-
(Decrease) in claims payable	-	(414)
(Decrease) in net pension liability	(194,293)	-
(Decrease) in net OPEB liability	(1,623)	-
Increase in deferred inflows, pension	8,642	-
Increase in deferred inflows, OPEB	42,745	-
Net cash provided by (used in) operating activities	$ 8,650	$ (318,200)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Private-Purpose Trust	
	Scholarships	**Agency**
Assets:		
Equity in pooled cash and investments	$ 3,650	$ 315,430
Receivables:		
Intergovernmental	-	43,103
Prepayments	-	346
Total assets	3,650	$ 358,879
Liabilities:		
Accounts payable	2,000	$ -
Accrued wages and benefits	-	4,138
Pension and postemployment benefits payable	-	3,522
Intergovernmental payable	-	129
Due to students	-	108,721
Undistributed monies	-	242,369
Total liabilities	2,000	$ 358,879
Net position:		
Held in trust for scholarships	1,650	
Total net position	$ 1,650	

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, 2018

	Private-Purpose Trust
	Scholarships
Additions:	
Gifts and contributions.	$ 195,180
Deductions:	
Scholarships awarded	196,180
Change in net position	(1,000)
Net position at beginning of year.	2,650
Net position at end of year	$ 1,650

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

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 253 non-certified and 383 certified employees (including administrators) to provide services to approximately 4,708 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).

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

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.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

The following is the District's major governmental fund:

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

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. Proprietary funds consist of an enterprise fund and an internal service fund.

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

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.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the 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's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for student activities and 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.

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

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.

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.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

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

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.

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 position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 12 and Note 13 for deferred outflows of resources related the District's net pension liability and net OPEB liability. 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.

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

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 position 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, 2018, but which were levied to finance fiscal year 2019 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 12 and Note 13 for deferred inflows of resources related to the District's net pension liability and net OPEB liability. 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 agency 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 2018.

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.

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

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.

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 2018, investments were limited to non-negotiable certificates of deposit, commercial paper, U.S. Treasury Notes, federal agency securities, U.S. Government money market funds, 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 2018, 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 $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 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 2018 amounted to $447,398, which includes $82,790 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 3.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2018, 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.

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

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.

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

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

I. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District's maintains a capitalization threshold of $5,000. Interest is not capitalized in the governmental funds and the District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities 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

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.

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

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.

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.

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

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.

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.

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

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, 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. 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 food service operations and miscellaneous grants.

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.

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 Bond Premiums and Deferred Charges on Debt Refunding

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

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

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 bonds face value 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, 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 2018.

U. Fair Value

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

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the District has implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*", GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*" GASB Statement No. 85, "*Omnibus 2017*" and GASB Statement No. 86, "*Certain Debt Extinguishments*".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 affected the District's postemployment benefit plan disclosures, as presented in Note 13 to the basic financial statements, and added required supplementary information which is presented after the notes to the basic financial statements.

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the District.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the District.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the District.

A net position restatement is required in order to implement GASB Statement No 75. Net position at July 1, 2017 has been restated as follows:

	Governmental Activities	Business-Type Activities
Net position as previously reported	$ (19,724,343)	$ 146,799
Deferred outflows - payments subsequent to measurement date	156,992	7,057
Net OPEB liability	(22,117,747)	(424,206)
Restated net position at July 1, 2017	$ (41,685,098)	$ (270,350)

Other than employer contributions subsequent to the measurement date, the District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available. The restatement had no effect on fund balances.

B. Deficit Fund Balances

Fund balances at June 30, 2018 included the following individual fund deficits:

Nonmajor funds	Deficit
Title VI-B	$ 73,978
Title I	20,679
EHA preschool grant	1,479
Classroom reduction	1,702

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

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing 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 market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

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

6. The State Treasury Asset Reserve of Ohio (STAR Ohio);

7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investments at any one time and for a period not to exceed two hundred seventy days; and,

8. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash on Hand

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

B. Deposits with Financial Institutions

At June 30, 2018, the carrying amount of all District deposits was $35,391,042 and the bank balance of was $35,883,100. Of the bank balance, $1,173,322 was covered by the FDIC and $34,709,778 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 market 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 market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS.

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

C. Investments

As of June 30, 2018, 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	$ 8,004,179	$ 8,004,179	$ -	$ -
U.S. Treasury notes	21,611,244	17,148,024	-	4,463,220
FFCB notes	3,816,417	-	-	3,816,417
FHLB notes	33,979,962	-	32,510,406	1,469,556
FHLMC notes	10,971,585	-	-	10,971,585
U.S. Government money market	171,899	171,899	-	-
Amortized cost:				
STAR Ohio	13,688,503	13,688,503	-	-
Total	$ 92,243,789	$ 39,012,605	$ 32,510,406	$ 20,720,778

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 1.41 years.

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

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

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held at June 30, 2018:

Measurement/ Investment type	Measurement Value	% of Total
Fair value:		
Commercial paper	$ 8,004,179	8.68
U.S. Treasury notes	21,611,244	23.43
FFCB notes	3,816,417	4.14
FHLB notes	33,979,962	36.84
FHLMC notes	10,971,585	11.89
U.S. Government money market	171,899	0.19
Amortized cost:		
STAR Ohio	13,688,503	14.83
Total	$ 92,243,789	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, 2018:

Cash and investments per note	
Carrying amount of deposits	$ 35,391,042
Investments	92,243,789
Cash on hand	1,300
Total	$ 127,636,131
Cash and investments per statement of net position	
Governmental activities	$ 125,928,469
Business type activities	1,388,582
Private-purpose trust funds	3,650
Agency funds	315,430
Total	$ 127,636,131

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2018, 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	$ 119,828

NOTE 4 - INTERFUND TRANSACTIONS - (Continued)

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, 2018 are reported on the statement of net position.

B. Interfund transfers for the fiscal year ended June 30, 2018, consisted of the following, as reported on the fund statements:

Transfers from:	Transfer to:	Amount
General fund	Building fund	$ 500,000
General fund	Nonmajor governmental funds	46,000
Building fund	Nonmajor governmental funds	1,238,000
Total		$ 1,784,000

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 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market 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 2018 represent the collection of calendar year 2017 taxes. Public utility real and personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, 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, 2018, are available to finance fiscal year 2018 operations. The amount available as an advance at June 30, 2018 was $5,138,967 in the general fund, $574,659 in the building fund, and $151,004 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available as an advance at June 30, 2017 was $4,852,223 in the general fund and $141,592 in the permanent improvement fund (a nonmajor governmental 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, 2018 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 2018 taxes were collected are:

	2017 Second Half Collections		2018 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 948,759,150	99.12	$ 1,077,345,980	98.75
Public utility personal	8,461,030	0.88	13,613,760	1.25
Total	$ 957,220,180	100.00	$ 1,090,959,740	100.00
Tax rate per $1,000 of assessed valuation for:				
General operations	$ 86.93		$ 86.93	
Debt service	-		4.97	
Permanent improvement	1.50		1.50	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2018, 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, 2018 was as follows:

	Balance 07/01/17	Additions	Deductions	Balance 06/30/18
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,032,204	$ -	$ -	$ 1,032,204
Construction in progress	-	444,165	-	444,165
Total capital assets, not being depreciated	1,032,204	444,165	-	1,476,369
Capital assets, being depreciated:				
Land improvements	6,563,320	-	-	6,563,320
Buildings and improvements	78,738,784	356,149	-	79,094,933
Furniture and equipment	13,580,983	1,409,766	(918,391)	14,072,358
Vehicles	5,407,054	333,449	(371,194)	5,369,309
Computer software	390,819	-	-	390,819
Total capital assets, being depreciated	104,680,960	2,099,364	(1,289,585)	105,490,739
Less: accumulated depreciation				
Land improvements	(2,080,725)	(159,972)	-	(2,240,697)
Buildings and improvements	(31,842,287)	(1,503,850)	-	(33,346,137)
Furniture and equipment	(10,389,540)	(408,411)	596,955	(10,200,996)
Vehicles	(3,975,962)	(270,854)	334,074	(3,912,742)
Computer software	(365,574)	(6,417)	-	(371,991)
Total accumulated depreciation	(48,654,088)	(2,349,504)	931,029	(50,072,563)
Governmental activities capital assets, net	$ 57,059,076	$ 194,025	$ (358,556)	$ 56,894,545

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 1,450,859
Special	55,165
Vocational	21,503
Support services:	
Pupil	21,883
Instructional staff	61,769
Administration	35,142
Operations and maintenance	118,368
Pupil transportation	242,540
Central	6,417
Extracurricular activities	307,767
Food service operations	28,091
Total depreciation expense	$ 2,349,504

NOTE 8 - LONG-TERM OBLIGATIONS

A. During the fiscal year 2018, the following changes occurred in the District's long-term obligations.

	Restated Balance Outstanding 6/30/17	Additions	Deletions	Balance Outstanding 6/30/18	Amount Due in One Year
Governmental activities:					
Certificates of participation:					
Series 2012 refunding	$ 16,165,000	$ -	$ (640,000)	$ 15,525,000	$ 665,000
General obligation bonds:					
Energy conservation bonds	1,105,000	-	(200,000)	905,000	215,000
Qualified school construction bonds	1,285,000	-	(150,000)	1,135,000	155,000
School improvement bonds	-	81,550,000	-	81,550,000	3,710,000
Total bonds and certificates of participation	18,555,000	81,550,000	(990,000)	99,115,000	4,745,000
Capital leases	355,113	1,190,970	(520,195)	1,025,888	222,944
Compensated absences	3,814,297	410,431	(396,529)	3,828,199	431,297
Net pension liability	107,200,357	-	(29,623,033)	77,577,324	-
Net OPEB liability	22,117,747	-	(4,438,980)	17,678,767	-
Total, governmental activities	$ 152,042,514	$ 83,151,401	$ (35,968,737)	$ 199,225,178	$ 5,399,241
Add: unamortized premium on bonds				3,590,364	
Total on statement of net position				$ 202,815,542	
Business-type activities:					
Compensated absences	$ 25,252	$ 14,802	$ (8,845)	$ 31,209	$ 13,465
Net pension liability	1,253,576	-	(194,293)	1,059,283	-
Net OPEB liability	424,206	11,687	(13,310)	422,583	-
Total, business-type activities	$ 1,703,034	$ 26,489	$ (216,448)	$ 1,513,075	$ 13,465

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. The capital leases are paid from the general fund; see Note 9 for more detail. 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 12 for more detail on the net pension liability. See Note 13 for more detail on the net OPEB liability.

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.

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

The issuance proceeds of $18,725,000 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. At June 30, 2018, $17,580,000 of this debt was 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 mature on December 1, 2047. 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, 2021. Debt payments are made from the bond retirement fund with the proceeds from a voted property tax levy.

B. Principal and interest requirements to retire the certificates of participation outstanding at June 30, 2018, are as follows:

Fiscal Year	Certificates of Participation		
Ending June 30,	Principal	Interest	Total
2019	$ 665,000	$ 568,814	$ 1,233,814
2020	690,000	552,189	1,242,189
2021	715,000	535,801	1,250,801
2022	745,000	517,033	1,262,033
2023	775,000	496,173	1,271,173
2024 - 2028	4,580,000	1,983,890	6,563,890
2029 - 2033	5,960,000	1,008,608	6,968,608
2034	1,395,000	55,800	1,450,800
Total	$ 15,525,000	$ 5,718,308	$ 21,243,308

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

C. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2018, are as follows:

Fiscal Year	Energy Conservation Bonds			Qualified School Construction Bonds		
Ending June 30,	Principal	Interest	Total	Principal	Interest	Total
2019	$ 215,000	$ 31,363	$ 246,363	$ 155,000	$ 17,872	$ 172,872
2020	220,000	23,200	243,200	155,000	15,252	170,252
2021	230,000	14,200	244,200	160,000	12,591	172,591
2022	240,000	4,800	244,800	160,000	9,887	169,887
2023	-	-	-	165,000	7,140	172,140
2024 - 2025	-	-	-	340,000	5,746	345,746
Total	$ 905,000	$ 73,563	$ 978,563	$ 1,135,000	$ 68,488	$ 1,203,488

Fiscal Year	School Improvement Bonds		
Ending June 30,	Principal	Interest	Total
2019	$ 3,710,000	$ 3,835,635	$ 7,545,635
2020	1,535,000	2,983,913	4,518,913
2021	1,600,000	2,921,213	4,521,213
2022	1,660,000	2,872,613	4,532,613
2023	1,695,000	2,839,063	4,534,063
2024 - 2028	9,130,000	13,459,252	22,589,252
2029 - 2033	11,270,000	11,237,365	22,507,365
2034 - 2038	13,785,000	8,692,890	22,477,890
2039 -2043	16,775,000	5,646,690	22,421,690
2044 - 2048	20,390,000	1,972,071	22,362,071
Total	$ 81,550,000	$ 56,460,705	$ 138,010,705

D. 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, 2018, are a voted debt margin of $20,990,875 (including available funds of $6,394,498) and an unvoted debt margin of $1,090,960.

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The District has entered into a lease agreement to acquire copiers and copier equipment. Capital assets consisting of equipment have been capitalized in the amount of $1,190,970. Accumulated depreciation as of June 30, 2018 was $178,645, leaving a current book value of $1,012,325. Lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. Principal and interest payments of $197,129 and $39,316, respectively, were paid from the general fund. An additional $323,066 was recorded as a current expenditure (regular instruction) in the general fund which represents the amount to discharge the prior lease agreement. This amount is included in the "Deletions" column on the long-term obligations summary table in Note 8.A.

The following is a schedule of the future long-term minimum lease payments required under the lease agreement and the present value of the future minimum lease payments as of June 30, 2018:

Fiscal Year Ending June 30	Amount
2019	$ 267,324
2020	267,324
2021	267,324
2022	267,324
2023	66,831
Total minimum lease payments	1,136,127
Less: amount representing interest	(110,239)
Total	$ 1,025,888

NOTE 10 - 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 11 - 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 11 - 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 $1,731 per month for certified, classified and administrative employees. Single coverage full-time costs are $790 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 $67 and $128 per month under the Low and High plans, respectively, for family coverage and $22 and $46 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 $58 for family coverage and $3 to $21 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 11 - RISK MANAGEMENT - (Continued)

The claims liability of $706,857 reported in the internal service fund at June 30, 2018, 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
2018	$ 707,271	$ 8,552,852	$ (8,553,266)	$ 706,857
2017	613,495	8,387,228	(8,293,452)	707,271

Post-employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13.

D. Workers' Compensation

The District participates in the Ohio SchoolComp Group Rating Program (GRP), a group rating pool. The GRP is co-sponsored by the Ohio School Boards Association and the Ohio Association of School Business Officials. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund".

This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

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.

NOTE 11 - RISK MANAGEMENT - (Continued)

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
2018	$ 10,875	$ 34,633	$ (26,979)	$ 18,529
2017	4,855	22,753	(16,733)	10,875

NOTE 12 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 this estimate 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 are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or 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 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 year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Currently, one year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent 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 percent for plan members and 14 percent 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, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was $1,305,567 for fiscal year 2018. Of this amount, $70,566 is reported as pension and postemployment benefits payable.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS Ohio, 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 Plan. Benefits are established by Ohio Revised Code Chapter 3307. 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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent 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 or later.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, 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. 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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. For fiscal year 2018, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was $4,214,580 for fiscal year 2018. Of this amount, $718,328 is reported as pension and postemployment benefits payable.

Net Pension Liability

The net pension liability was measured as of June 30, 2017, 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	0.30361027%	0.25761786%	
Proportion of the net pension liability current measurement date	0.29791068%	0.25609999%	
Change in proportionate share	-0.00569959%	-0.00151787%	
Proportionate share of the net pension liability	$ 17,799,504	$ 60,837,103	$ 78,636,607
Pension expense	$ (808,510)	$ (24,111,782)	$ (24,920,292)

At June 30, 2018, 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	$ 766,029	$ 2,349,245	$ 3,115,274
Changes of assumptions	920,425	13,305,743	14,226,168
Difference between District contributions and proportionate share of contributions/ change in proportionate share	52,094	16,975	69,069
District contributions subsequent to the measurement date	1,305,567	4,214,580	5,520,147
Total deferred outflows of resources	$ 3,044,115	$ 19,886,543	$ 22,930,658

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ -	$ 490,322	$ 490,322
Net difference between projected and actual earnings on pension plan investments	84,488	2,007,696	2,092,184
Difference between District contributions and proportionate share of contributions/ change in proportionate share	463,006	1,983,220	2,446,226
Total deferred inflows of resources	$ 547,494	$ 4,481,238	$ 5,028,732

$5,520,147 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 year ending June 30, 2019. 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:			
2019	$ 528,182	$ 2,017,414	$ 2,545,596
2020	908,484	4,748,569	5,657,053
2021	169,331	3,500,264	3,669,595
2022	(414,943)	924,478	509,535
Total	$ 1,191,054	$ 11,190,725	$ 12,381,779

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.

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
COLA or ad hoc COLA	2.50 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

Prior to 2017, an assumption of 3 percent was used for COLA or Ad Hoc COLA.

For 2017, 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 percent of male rates, and 110 percent of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent 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, 2015.

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.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, 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 7.50 percent, 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 24,701,088	$ 17,799,504	$ 12,018,022

Actuarial Assumptions - STRS Ohio

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2017, actuarial valuation, compared with July 1, 2016 are presented below:

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	July 1, 2017	July 1, 2016
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment rate of return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3.5 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

For the July 1, 2017, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For the July 1, 2016 actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the July 1 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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:

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 pension liability was 7.45 percent as of June 30, 2017. The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	$ 87,207,916	$ 60,837,103	$ 38,623,645

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability 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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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 Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, .5 percent of covered payroll was made to 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 2018, this amount was $23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was $155,873.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $203,392 for fiscal year 2018. Of this amount, $158,501 is reported as pension and postemployment benefits payable.

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. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. 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 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	SERS	STRS	Total
Proportion of the net OPEB liability prior measurement date	0.30907880%	0.25926828%	
Proportion of the net OPEB liability current measurement date	0.30216347%	0.25609999%	
Change in proportionate share	-0.00691533%	-0.00316829%	
Proportionate share of the net OPEB liability	$ 8,109,274	$ 9,992,076	$ 18,101,350
OPEB expense	$ 434,828	$ (3,060,573)	$ (2,625,745)

At June 30, 2018, 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	$ -	$ 576,805	$ 576,805
Difference between District contributions and proportionate share of contributions/ change in proportionate share	25,155	-	25,155
District contributions subsequent to the measurement date	203,392	-	203,392
Total deferred outflows of resources	$ 228,547	$ 576,805	$ 805,352
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	$ 21,415	$ 427,085	$ 448,500
Changes of assumptions	769,528	804,894	1,574,422
Difference between District contributions and proportionate share of contributions/ change in proportionate share	160,676	69,170	229,846
Total deferred inflows of resources	$ 951,619	$ 1,301,149	$ 2,252,768

$203,392 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 in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Fiscal Year Ending June 30:	SERS	STRS	Total
2019	$ (333,271)	$ (156,314)	$ (489,585)
2020	(333,271)	(156,314)	(489,585)
2021	(254,569)	(156,314)	(410,883)
2022	(5,353)	(156,314)	(161,667)
2023	-	(49,544)	(49,544)
Thereafter	-	(49,544)	(49,544)
Total	$ (926,464)	$ (724,344)	$ (1,650,808)

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 13 - 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, 2017, are presented below:

Wage inflation	3.00 percent
Future salary increases, including inflation	3.50 percent to 18.20 percent
Investment rate of return	7.50 percent net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.56 percent
Prior measurement date	2.92 percent
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.63 percent
Prior measurement date	2.98 percent
Medical trend assumption:	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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, 7.50 percent, 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, 2015 five-year experience study, are summarized as follows:

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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 of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63%) and higher (4.63%) than the current discount rate (3.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.5% decreasing to 4.0%) and higher (8.5% decreasing to 6.0%) than the current rate.

	1% Decrease (2.63%)	Current Discount Rate (3.63%)	1% Increase (4.63%)
District's proportionate share of the net OPEB liability	$ 9,792,980	$ 8,109,274	$ 6,775,348

NOTE 14 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease (6.5 % decreasing to 4.0 %)	Current Trend Rate (7.5 % decreasing to 5.0 %)	1% Increase (8.5 % decreasing to 6.0 %)
District's proportionate share of the net OPEB liability	$ 6,580,068	$ 8,109,274	$ 10,133,203

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3 percent
Cost-of-living adjustments (COLA)	0.0 percent, effective July 1, 2017
Blended discount rate of return	4.13 percent
Health care cost trends	6 to 11 percent initial, 4.5 percent ultimate

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 Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent 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 Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

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 liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes 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 not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability 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 (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	$ 13,414,203	$ 9,992,076	$ 7,287,479

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 6,942,067	$ 9,992,076	$ 14,006,247

NOTE 14 - 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, 2018, 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

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2017-2018 school year, 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 not finalized the impact of enrollment adjustments to the June 30, 2018 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 15 - 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, 2017	$ -
Current year set-aside requirement	800,969
Current year offsets	(1,444,747)
Total	$ (643,778)
Balance carried forward to fiscal year 2019	$ -
Set-aside balance June 30, 2018	$ -

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

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

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

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

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

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	General fund
Budget basis	$ 1,574,207
Net adjustment for revenue accruals	415,392
Net adjustment for expenditure accruals	(1,592,985)
Net adjustment for other sources/uses	1,017,073
Funds budgeted elsewhere	55,633
Adjustment for encumbrances	1,200,598
GAAP basis	$ 2,669,918

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 17 - COOPERATIVE AGREEMENT

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

The City of Hudson shall make payments to the District in an amount sufficient to enable the District to make timely debt service payments on the Certificates of Participation that were issued by the District to finance improvement costs associated with the Community Learning Centers. The City of Hudson shall also make payments to the District in which the funds will be applied to pay costs of improvements to the Community Learning Centers, as detailed in the agreement. The District received $1,525,838 from the City of Hudson during fiscal year 2018 as a result of this agreement. This revenue is reported in the building fund and the debt service fund (a nonmajor governmental fund).

NOTE 18 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 853,909
Building fund	440,102
Nonmajor governmental funds	93,523
Total	$ 1,387,534

NOTE 19 - 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 $1,193,454 during fiscal year 2018. The District received $658,751 as compensation for the foregone taxes, which is recorded as payment in lieu of taxes revenue in the general fund.

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 FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.29791068%	0.30361027%	0.30686400%	0.30701700%	0.30701700%
District's proportionate share of the net pension liability	$ 17,799,504	$ 22,221,471	$ 17,509,957	$ 15,537,956	$ 18,257,316
District's covered payroll	$ 9,503,179	$ 9,477,429	$ 9,238,209	$ 8,921,306	$ 7,335,853
District's proportionate share of the net pension liability as a percentage of its covered payroll	187.30%	234.47%	189.54%	174.17%	248.88%
Plan fiduciary net position as a percentage of the total pension liability	69.50%	62.98%	69.16%	71.70%	65.52%

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

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 FIVE FISCAL YEARS

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.25609999%	0.25761786%	0.26310210%	0.26831696%	0.26831696%
District's proportionate share of the net pension liability	$ 60,837,103	$ 86,232,462	$ 72,713,725	$ 65,263,971	$ 77,742,015
District's covered payroll	$ 28,118,971	$ 27,306,064	$ 27,781,386	$ 27,414,577	$ 28,446,892
District's proportionate share of the net pension liability as a percentage of its covered payroll	216.36%	315.80%	261.74%	238.06%	273.29%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	66.80%	72.10%	74.70%	69.30%

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

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

	2018	2017	2016	2015
Contractually required contribution	$ 1,305,567	$ 1,330,445	$ 1,326,840	$ 1,217,596
Contributions in relation to the contractually required contribution	(1,305,567)	(1,330,445)	(1,326,840)	(1,217,596)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209
Contributions as a percentage of covered payroll	13.50%	14.00%	14.00%	13.18%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 1,236,493	$ 1,015,282	$ 971,580	$ 947,504	$ 1,057,708	$ 762,346
(1,236,493)	(1,015,282)	(971,580)	(947,504)	(1,057,708)	(762,346)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,921,306	$ 7,335,853	$ 7,223,643	$ 7,537,820	$ 7,811,728	$ 7,747,419
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

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

	2018	2017	2016	2015
Contractually required contribution	$ 4,214,580	$ 3,936,656	$ 3,822,849	$ 3,889,394
Contributions in relation to the contractually required contribution	(4,214,580)	(3,936,656)	(3,822,849)	(3,889,394)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 3,563,895	$ 3,698,096	$ 3,792,759	$ 4,014,133	$ 4,042,798	$ 3,904,683
(3,563,895)	(3,698,096)	(3,792,759)	(4,014,133)	(4,042,798)	(3,904,683)
$ -	$ -	$ -	$ -	$ -	$ -
$ 27,414,577	$ 28,446,892	$ 29,175,069	$ 30,877,946	$ 31,098,446	$ 30,036,023
13.00%	13.00%	13.00%	13.00%	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 TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.30216347%	0.30907880%
District's proportionate share of the net OPEB liability	$ 8,109,274	$ 8,809,889
District's covered payroll	$ 9,503,179	$ 9,477,429
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	85.33%	92.96%
Plan fiduciary net position as a percentage of the total OPEB liability	12.46%	11.49%

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

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2018	2017
District's proportion of the net OPEB liability	0.25609999%	0.25926828%
District's proportionate share of the net OPEB liability	$ 9,992,076	$ 13,865,735
District's covered payroll	$ 28,118,971	$ 27,306,064
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.53%	50.78%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	37.30%

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

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

	2018	2017	2016	2015
Contractually required contribution	$ 203,392	$ 164,889	$ 155,709	$ 230,709
Contributions in relation to the contractually required contribution	(203,392)	(164,889)	(155,709)	(230,709)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,670,867	$ 9,503,179	$ 9,477,429	$ 9,238,209
Contributions as a percentage of covered payroll	2.10%	1.74%	1.64%	2.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 164,656	$ 142,798	$ 174,066	$ 228,248	$ 148,323	$ 426,776
(164,656)	(142,798)	(174,066)	(228,248)	(148,323)	(426,776)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,921,306	$ 7,335,853	$ 7,223,643	$ 7,537,820	$ 7,811,728	$ 7,747,419
1.85%	1.95%	2.41%	3.03%	1.90%	5.51%

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

	2018	2017	2016	2015
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 30,104,143	$ 28,118,971	$ 27,306,064	$ 27,781,386
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2014	2013	2012	2011	2010	2009
$ 279,199	$ 284,469	$ 291,751	$ 308,779	$ 310,984	$ 300,360
(279,199)	(284,469)	(291,751)	(308,779)	(310,984)	(300,360)
$ -	$ -	$ -	$ -	$ -	$ -
$ 27,414,577	$ 28,446,892	$ 29,175,069	$ 30,877,946	$ 31,098,446	$ 30,036,023
1.00%	1.00%	1.00%	1.00%	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 changed in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 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.

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.

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.

(Continued)

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 2017-2018.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 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.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 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.

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 assumption 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.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

THIS PAGE IS INTENTIONALLY LEFT BLANK

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, 2018

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Rotary			
Total Revenues and Other Financing Sources	$ 535,000	$ 439,732	$ (95,268)
Total Expenditures and Other Financing Uses	570,866	436,230	134,636
Net Change in Fund Balance	(35,866)	3,502	39,368
Fund Balance, July 1	191,153	191,153	-
Prior Year Encumbrances Appropriated	45,866	45,866	-
Fund Balance, June 30	$ 201,153	$ 240,521	$ 39,368
Public School Support			
Total Revenues and Other Financing Sources	$ 354,813	$ 313,724	$ (41,089)
Total Expenditures and Other Financing Uses	373,682	301,681	72,001
Net Change in Fund Balance	(18,869)	12,043	30,912
Fund Balance, July 1	170,187	170,187	-
Prior Year Encumbrances Appropriated	23,682	23,682	-
Fund Balance, June 30	$ 175,000	$ 205,912	$ 30,912
Special Trust			
Total Revenues and Other Financing Sources	$ 17,568	$ 21,173	$ 3,605
Total Expenditures and Other Financing Uses	45,593	20,911	24,682
Net Change in Fund Balance	(28,025)	262	28,287
Fund Balance, July 1	25,323	25,323	-
Prior Year Encumbrances Appropriated	2,702	2,702	-
Fund Balance, June 30	$ -	$ 28,287	$ 28,287

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, 2018

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Building			
Total Revenues and Other Financing Sources	$ 84,622,419	$ 83,863,904	$ (758,515)
Total Expenditures and Other Financing Uses	5,210,110	2,299,851	2,910,259
Net Change in Fund Balance	79,412,309	81,564,053	2,151,744
Fund Balance, July 1	377,581	377,581	-
Prior Year Encumbrances Appropriated	40,110	40,110	-
Fund Balance, June 30	$ 79,830,000	$ 81,981,744	$ 2,151,744

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.

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 athletic programs.

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

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

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

Title VI-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 that addresses the improvement and expansion of services for handicapped children ages three to five years.

Classroom Reduction - To account for grant monies used for the hiring of additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

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.

Food Service - To account for monies received and used that are related to 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.

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	$ 901,680	$ 5,819,839	$ 511,021	$ 7,232,540
Receivables:				
Property taxes	-	5,448,342	1,285,328	6,733,670
Intergovernmental	365,964	-	-	365,964
Prepayments	3,104	-	-	3,104
Materials and supplies inventory	141	-	-	141
Inventory held for resale	9,486	-	-	9,486
Total assets	$ 1,280,375	$ 11,268,181	$ 1,796,349	$ 14,344,905
Liabilities:				
Accounts payable	$ 44,346	$ -	$ 378,650	$ 422,996
Contracts payable	-	-	208,064	208,064
Accrued wages and benefits payable	281,571	-	-	281,571
Compensated absences payable	1,274	-	-	1,274
Pension and postemployment benefits payable	48,349	-	-	48,349
Intergovernmental payable	4,398	-	-	4,398
Due to other funds	119,828	-	-	119,828
Total liabilities	499,766	-	586,714	1,086,480
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	4,818,181	1,119,046	5,937,227
Delinquent property tax revenue not available	-	55,502	15,278	70,780
Intergovernmental revenue not available	123,004	-	-	123,004
Total deferred inflows of resources	123,004	4,873,683	1,134,324	6,131,011
Fund balances:				
Nonspendable:				
Materials and supplies inventory	141	-	-	141
Prepayments	3,104	-	-	3,104
Restricted:				
Debt service	-	6,394,498	-	6,394,498
Capital improvements	-	-	75,311	75,311
Food service operations	294,941	-	-	294,941
Non-public schools	148,833	-	-	148,833
Extracurricular activities	206,921	-	-	206,921
Other purposes	103,296	-	-	103,296
Unassigned (deficit)	(99,631)	-	-	(99,631)
Total fund balances	657,605	6,394,498	75,311	7,127,414
Total liabilities, deferred inflows of resources and fund balances	$ 1,280,375	$ 11,268,181	$ 1,796,349	$ 14,344,905

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, 2018

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ -	$ 3,400,917	$ 1,295,302	$ 4,696,219
Earnings on investments	7,851	-	-	7,851
Charges for services	1,295,372	-	-	1,295,372
Extracurricular	397,509	-	-	397,509
Other local revenues	173,872	-	77,740	251,612
Intergovernmental - intermediate	-	33,155	-	33,155
Intergovernmental - state	1,998,839	22,610	158,857	2,180,306
Intergovernmental - federal	1,798,717	-	-	1,798,717
Total revenues	5,672,160	3,456,682	1,531,899	10,660,741
Expenditures:				
Current:				
Instruction:				
Regular	1,679,241	-	565,000	2,244,241
Special	819,991	-	-	819,991
Vocational	2,000	-	-	2,000
Other	10,800	-	38,825	49,625
Support services:				
Pupil	790,709	-	-	790,709
Instructional staff	65,165	-	-	65,165
Administration	185,059	-	-	185,059
Fiscal	-	91,951	18,605	110,556
Operations and maintenance	7,746	-	-	7,746
Pupil transportation	-	-	236,799	236,799
Operation of non-instructional services:				
Food service operations	1,475,061	-	-	1,475,061
Other non-instructional services	29,962	-	-	29,962
Extracurricular activities	514,614	-	-	514,614
Facilities acquisition and construction	-	-	1,180,000	1,180,000
Debt service:				
Principal retirement	-	640,000	-	640,000
Interest and fiscal charges	-	583,214	-	583,214
Bond issuance costs	-	543,833	-	543,833
Total expenditures	5,580,348	1,858,998	2,039,229	9,478,575
Excess (deficiency) of revenues over (under) expenditures	91,812	1,597,684	(507,330)	1,182,166
Other financing sources (uses):				
Premium on sale of bonds	-	3,560,314	-	3,560,314
Proceeds from sale of assets	-	-	2,867	2,867
Transfers in	46,000	1,238,000	-	1,284,000
Total other financing sources (uses)	46,000	4,798,314	2,867	4,847,181
Net change in fund balances	137,812	6,395,998	(504,463)	6,029,347
Fund balances at beginning of year	519,793	(1,500)	579,774	1,098,067
Fund balances at end of year	$ 657,605	$ 6,394,498	$ 75,311	$ 7,127,414

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Other Grants	Athletics and Music	Auxiliary Services	Other State Grants	Title VI-B
Assets:					
Equity in pooled cash and investments	$ 106,743	$ 228,142	$ 169,253	$ 70	$ -
Receivables:					
Intergovernmental	-	-	-	-	263,413
Prepayments	-	38	87	-	1,455
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 106,743	$ 228,180	$ 169,340	$ 70	$ 264,868
Liabilities:					
Accounts payable	$ 4,550	$ 21,069	$ 10,394	$ -	$ -
Accrued wages and benefits payable	-	-	8,121	-	141,354
Compensated absences payable	-	-	-	-	-
Pension and postemployment benefits payable	-	152	1,454	-	22,815
Intergovernmental payable	-	-	451	-	2,107
Due to other funds	-	-	-	-	91,339
Total liabilities	4,550	21,221	20,420	-	257,615
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	81,231
Total deferred inflows of resources	-	-	-	-	81,231
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	-	38	87	-	1,455
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	148,833	-	-
Extracurricular activities	-	206,921	-	-	-
Other purposes	102,193	-	-	70	-
Unassigned (deficit)	-	-	-	-	(75,433)
Total fund balances (deficits)	102,193	206,959	148,920	70	(73,978)
Total liabilities, deferred inflows of resources and fund balances	$ 106,743	$ 228,180	$ 169,340	$ 70	$ 264,868

- - continued

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2018

	Title III	Title I	EHA Preschool Grant	Classroom Reduction	Other Federal Grants
Assets:					
Equity in pooled cash and investments	$ -	$ -	$ -	$ -	$ -
Receivables:					
Intergovernmental	2,669	66,371	3,244	21,974	8,293
Prepayments	-	334	-	4	-
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	$ 2,669	$ 66,705	$ 3,244	$ 21,978	$ 8,293
Liabilities:					
Accounts payable	$ 861	$ -	$ -	$ 1,727	$ 4,820
Accrued wages and benefits payable	-	37,388	2,271	3,245	-
Compensated absences payable	-	-	-	-	-
Pension and postemployment benefits payable	-	4,230	318	598	-
Intergovernmental payable	-	339	25	62	603
Due to other funds	1,808	20,593	1,136	3,552	1,400
Total liabilities	2,669	62,550	3,750	9,184	6,823
Deferred inflows of resources:					
Intergovernmental revenue not available	-	24,834	973	14,496	1,470
Total deferred inflows of resources	-	24,834	973	14,496	1,470
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	-	334	-	4	-
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned (deficit)	-	(21,013)	(1,479)	(1,706)	-
Total fund balances (deficits)	-	(20,679)	(1,479)	(1,702)	-
Total liabilities, deferred inflows of resources and fund balances	$ 2,669	$ 66,705	$ 3,244	$ 21,978	$ 8,293

Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
$ 396,439	$ 1,033	$ 901,680
-	-	365,964
1,186	-	3,104
141	-	141
9,486	-	9,486
$ 407,252	$ 1,033	$ 1,280,375
$ 925	$ -	$ 44,346
89,192	-	281,571
1,274	-	1,274
18,782	-	48,349
811	-	4,398
-	-	119,828
110,984	-	499,766
-	-	123,004
-	-	123,004
141	-	141
1,186	-	3,104
294,941	-	294,941
-	-	148,833
-	-	206,921
-	1,033	103,296
-	-	(99,631)
296,268	1,033	657,605
$ 407,252	$ 1,033	$ 1,280,375

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, 2018

	Other Grants	Athletics and Music	Auxiliary Services	Data Communications	Other State Grants
Revenues:					
From local sources:					
Earnings on investments	$ -	$ -	$ 4,388	$ -	$ -
Charges for services	-	-	-	-	-
Extracurricular	-	397,509	-	-	-
Other local revenues	114,511	59,028	-	-	-
Intergovernmental - state	-	-	1,988,039	10,800	-
Intergovernmental - federal	-	-	-	-	-
Total revenues	114,511	456,537	1,992,427	10,800	-
Expenditures:					
Current:					
Instruction:					
Regular	70,681	2,606	1,549,777	-	-
Special	-	-	-	-	-
Vocational	2,000	-	-	-	-
Other	-	-	-	10,800	-
Support services:					
Pupil	5,787	-	250,985	-	68
Instructional staff	15,127	-	69	-	-
Administration	-	-	112,737	-	-
Operations and maintenance	3,000	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Other non-instructional services	-	-	-	-	-
Extracurricular activities	19,420	495,194	-	-	-
Total expenditures	116,015	497,800	1,913,568	10,800	68
Excess (deficiency) of revenues over (under) expenditures	(1,504)	(41,263)	78,859	-	(68)
Other financing sources:					
Transfers in	-	46,000	-	-	-
Total other financing sources	-	46,000	-	-	-
Net change in fund balances	(1,504)	4,737	78,859	-	(68)
Fund balances (deficits) at beginning of year	103,697	202,222	70,061	-	138
Fund balances (deficits) at end of year	$ 102,193	$ 206,959	$ 148,920	$ -	$ 70

Title VI-B	Title III	Title I	EHA Preschool Grant	Classroom Reduction	Other Federal Grants	Food Service
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,463
-	-	-	-	-	-	1,295,372
-	-	-	-	-	-	-
-	-	-	-	-	-	150
-	-	-	-	-	-	-
1,235,227	2,669	214,891	15,233	76,605	7,707	246,385
1,235,227	2,669	214,891	15,233	76,605	7,707	1,545,370
-	-	-	-	54,966	-	-
593,691	-	212,084	14,216	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
528,501	2,508	2,860	-	-	-	-
44,522	24	-	-	-	5,423	-
72,322	-	-	-	-	-	-
-	-	-	-	-	-	4,746
-	-	-	-	-	-	1,475,061
3,955	137	-	-	23,135	2,284	-
-	-	-	-	-	-	-
1,242,991	2,669	214,944	14,216	78,101	7,707	1,479,807
(7,764)	-	(53)	1,017	(1,496)	-	65,563
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(7,764)	-	(53)	1,017	(1,496)	-	65,563
(66,214)	-	(20,626)	(2,496)	(206)	-	230,705
$ (73,978)	$ -	$ (20,679)	$ (1,479)	$ (1,702)	$ -	$ 296,268

- - continued

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, 2018

	Other Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Earnings on investments	$ -	$ 7,851
Charges for services	-	1,295,372
Extracurricular	-	397,509
Other local revenues	183	173,872
Intergovernmental - state	-	1,998,839
Intergovernmental - federal	-	1,798,717
Total revenues	183	5,672,160
Expenditures:		
Current:		
Instruction:		
Regular	1,211	1,679,241
Special	-	819,991
Vocational	-	2,000
Other	-	10,800
Support services:		
Pupil	-	790,709
Instructional staff	-	65,165
Administration	-	185,059
Operations and maintenance	-	7,746
Operation of non-instructional services:		
Food service operations	-	1,475,061
Other non-instructional services	451	29,962
Extracurricular activities	-	514,614
Total expenditures	1,662	5,580,348
Excess (deficiency) of revenues over (under) expenditures	(1,479)	91,812
Other financing sources:		
Transfers in	-	46,000
Total other financing sources	-	46,000
Net change in fund balances	(1,479)	137,812
Fund balances (deficits) at beginning of year	2,512	519,793
Fund balances (deficits) at end of year	$ 1,033	$ 657,605

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Grants			
Total Revenues and Other Financing Sources	$ 179,720	$ 114,511	$ (65,209)
Total Expenditures and Other Financing Uses	212,685	122,742	89,943
Net Change in Fund Balance	(32,965)	(8,231)	24,734
Fund Balance, July 1	94,425	94,425	-
Prior Year Encumbrances Appropriated	12,685	12,685	-
Fund Balance, June 30	$ 74,145	$ 98,879	$ 24,734
Athletics and Music			
Total Revenues and Other Financing Sources	$ 597,654	$ 502,537	$ (95,117)
Total Expenditures and Other Financing Uses	575,050	493,445	81,605
Net Change in Fund Balance	22,604	9,092	(13,512)
Fund Balance, July 1	204,871	204,871	-
Prior Year Encumbrances Appropriated	50	50	-
Fund Balance, June 30	$ 227,525	$ 214,013	$ (13,512)
Auxiliary Services			
Total Revenues and Other Financing Sources	$ 2,788,721	$ 1,992,427	$ (796,294)
Total Expenditures and Other Financing Uses	2,110,076	1,973,553	136,523
Net Change in Fund Balance	678,645	18,874	(659,771)
Fund Balance, July 1	11,279	11,279	-
Prior Year Encumbrances Appropriated	106,371	106,371	-
Fund Balance, June 30	$ 796,295	$ 136,524	$ (659,771)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Data Communications			
Total Revenues and Other Financing Sources	$ 10,800	$ 10,800	$ -
Total Expenditures and Other Financing Uses	10,800	10,800	-
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	-	-	-
Fund Balance, June 30	$ -	$ -	$ -
Other State Grants			
Total Revenues and Other Financing Sources	$ 69,738	$ 2,501	$ (67,237)
Total Expenditures and Other Financing Uses	70	-	70
Net Change in Fund Balance	69,668	2,501	(67,167)
Fund Balance (Deficit), July 1	(2,431)	(2,431)	-
Fund Balance, June 30	$ 67,237	$ 70	$ (67,167)
Title VI-B			
Total Revenues and Other Financing Sources	$ 1,783,430	$ 1,241,662	$ (541,768)
Total Expenditures and Other Financing Uses	1,285,304	1,285,303	1
Net Change in Fund Balance	498,126	(43,641)	(541,767)
Fund Balance (Deficit), July 1	(150,104)	(150,104)	-
Prior Year Encumbrances Appropriated	54,366	54,366	-
Fund Balance (Deficit), June 30	$ 402,388	$ (139,379)	$ (541,767)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Title III			
Total Revenues and Other Financing Sources	$ 14,000	$ -	$ (14,000)
Total Expenditures and Other Financing Uses	2,733	2,733	-
Net Change in Fund Balance	11,267	(2,733)	(14,000)
Fund Balance, July 1	-	-	-
Fund Balance (Deficit), June 30	$ 11,267	$ (2,733)	$ (14,000)
Title I			
Total Revenues and Other Financing Sources	$ 281,418	$ 194,919	$ (86,499)
Total Expenditures and Other Financing Uses	207,621	207,620	1
Net Change in Fund Balance	73,797	(12,701)	(86,498)
Fund Balance (Deficit), July 1	(11,762)	(11,762)	-
Fund Balance (Deficit), June 30	$ 62,035	$ (24,463)	$ (86,498)
EHA Preschool Grant			
Total Revenues and Other Financing Sources	$ 35,065	$ 16,796	$ (18,269)
Total Expenditures and Other Financing Uses	16,015	16,015	-
Net Change in Fund Balance	19,050	781	(18,269)
Fund Balance (Deficit), July 1	(1,917)	(1,917)	-
Fund Balance (Deficit), June 30	$ 17,133	$ (1,136)	$ (18,269)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Classroom Reduction			
Total Revenues and Other Financing Sources	$ 127,381	$ 73,090	$ (54,291)
Total Expenditures and Other Financing Uses	83,053	83,053	-
Net Change in Fund Balance	44,328	(9,963)	(54,291)
Fund Balance (Deficit), July 1	(2,144)	(2,144)	-
Prior Year Encumbrances Appropriated	1,106	1,106	-
Fund Balance (Deficit), June 30	$ 43,290	$ (11,001)	$ (54,291)
Other Federal Grants			
Total Revenues and Other Financing Sources	$ 12,634	$ 884	$ (11,750)
Total Expenditures and Other Financing Uses	9,207	9,207	-
Net Change in Fund Balance	3,427	(8,323)	(11,750)
Fund Balance, July 1	-	-	-
Fund Balance (Deficit), June 30	$ 3,427	$ (8,323)	$ (11,750)
Food Service			
Total Revenues and Other Financing Sources	$ 1,854,170	$ 1,462,048	$ (392,122)
Total Expenditures and Other Financing Uses	1,504,173	1,395,459	108,714
Net Change in Fund Balance	349,997	66,589	(283,408)
Fund Balance, July 1	321,976	321,976	-
Prior Year Encumbrances Appropriated	4,173	4,173	-
Fund Balance, June 30	$ 676,146	$ 392,738	$ (283,408)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Other Special Revenue			
Total Revenues and Other Financing Sources	$ 99	$ 183	$ 84
Total Expenditures and Other Financing Uses	2,611	1,662	949
Net Change in Fund Balance	(2,512)	(1,479)	1,033
Fund Balance, July 1	2,512	2,512	-
Fund Balance, June 30	$ -	$ 1,033	$ 1,033
Debt Service			
Total Revenues and Other Financing Sources	$ 4,592,275	$ 7,136,504	$ 2,544,229
Total Expenditures and Other Financing Uses	1,350,000	1,316,665	33,335
Net Change in Fund Balance	3,242,275	5,819,839	2,577,564
Fund Balance, July 1	-	-	-
Fund Balance, June 30	$ 3,242,275	$ 5,819,839	$ 2,577,564
Permanent Improvement			
Total Revenues and Other Financing Sources	$ 1,592,895	$ 1,525,354	$ (67,541)
Total Expenditures and Other Financing Uses	1,812,945	1,524,757	288,188
Net Change in Fund Balance	(220,050)	597	220,647
Fund Balance, July 1	456,809	456,809	-
Prior Year Encumbrances Appropriated	12,945	12,945	-
Fund Balance, June 30	$ 249,704	$ 470,351	$ 220,647

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, 2018

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Community Education			
Total Revenues	$ 2,334,347	$ 1,580,660	$ (753,687)
Total Expenses	2,174,219	1,637,782	536,437
Net Change in Fund Balance	160,128	(57,122)	(217,250)
Fund Balance, July 1	1,117,169	1,117,169	-
Prior Year Encumbrances Appropriated	174,219	174,219	-
Fund Balance, June 30	$ 1,451,516	$ 1,234,266	$ (217,250)
Self-Insurance			
Total Revenues	$ 13,000,000	$ 9,729,028	$ (3,270,972)
Total Expenses	11,272,789	10,367,269	905,520
Net Change in Fund Balance	1,727,211	(638,241)	(2,365,452)
Fund Balance, July 1	1,699,523	1,699,523	-
Prior Year Encumbrances Appropriated	272,789	272,789	-
Fund Balance, June 30	$ 3,699,523	$ 1,334,071	$ (2,365,452)

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

FUND DESCRIPTIONS

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency 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. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

PRIVATE-PURPOSE TRUST FUND

Scholarship - This fund accounts for monies set-aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

AGENCY FUNDS

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.

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

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, 2018

	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Scholarship			
Total Revenues	$ 195,180	$ 195,180	$ -
Total Expenses	197,830	194,180	3,650
Net Change in Fund Balance	(2,650)	1,000	3,650
Fund Balance, July 1	2,650	2,650	-
Fund Balance, June 30	$ -	$ 3,650	$ 3,650

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Student Activities

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
Assets:				
Equity in pooled cash and investments	$ 100,070	$ 98,487	$ 89,836	$ 108,721
Total assets	$ 100,070	$ 98,487	$ 89,836	$ 108,721
Liabilities:				
Accounts payable	$ 69	$ -	$ 69	$ -
Due to students	100,001	98,487	89,767	108,721
Total liabilities	$ 100,070	$ 98,487	$ 89,836	$ 108,721

Six District Educational Compact

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
Assets:				
Equity in pooled cash and investments	$ 217,264	$ 666,316	$ 676,871	$ 206,709
Receivables:				
Intergovernmental	60,756	43,103	60,756	43,103
Prepayments	344	346	344	346
Total assets	$ 278,364	$ 709,765	$ 737,971	$ 250,158
Liabilities:				
Accounts payable	$ 10,939	$ -	$ 10,939	$ -
Accrued wages and benefits	3,833	4,318	3,833	4,318
Pension and postemployment benefits payable	3,323	3,522	3,323	3,522
Intergovernmental payable	1,723	129	1,723	129
Undistributed monies	258,546	701,796	718,153	242,189
Total liabilities	$ 278,364	$ 709,765	$ 737,971	$ 250,158

Total

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018
Assets:				
Equity in pooled cash and investments	$ 317,334	$ 764,803	$ 766,707	$ 315,430
Receivables:				
Intergovernmental	60,756	43,103	60,756	43,103
Prepayments	344	346	344	346
Total assets	$ 378,434	$ 808,252	$ 827,807	$ 358,879
Liabilities:				
Accounts payable	$ 11,008	$ -	$ 11,008	$ -
Accrued wages and benefits	3,833	4,318	3,833	4,318
Pension and postemployment benefits payable	3,323	3,522	3,323	3,522
Intergovernmental payable	1,723	129	1,723	129
Due to students	100,001	98,487	89,767	108,721
Undistributed monies	258,546	701,796	718,153	242,189
Total liabilities	$ 378,434	$ 808,252	$ 827,807	$ 358,879

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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)

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

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.

2013	2012	2011	2010	2009
$ 33,552,876	$ 23,427,664	$ 22,009,927	$ 19,493,702	$ 22,949,265
4,604,254	6,910,143	6,330,508	7,185,275	5,049,911
10,365,649	10,747,276	9,465,979	7,732,593	9,891,305
$ 48,522,779	$ 41,085,083	$ 37,806,414	$ 34,411,570	$ 37,890,481
$ 734,376	$ 614,762	$ 469,428	$ 398,433	$ 385,107
$ 734,376	$ 614,762	$ 469,428	$ 398,433	$ 385,107
$ 33,552,876	$ 23,427,664	$ 22,009,927	$ 19,493,702	$ 22,949,265
4,604,254	6,910,143	6,330,508	7,185,275	5,049,911
11,100,025	11,362,038	9,935,407	8,131,026	10,276,412
$ 49,257,155	$ 41,699,845	$ 38,275,842	$ 34,810,003	$ 38,275,588

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

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

2013	2012	2011	2010	2009
$ 28,142,699	$ 27,296,776	$ 29,603,309	$ 31,363,765	$ 29,945,058
6,518,659	6,198,419	7,012,389	6,853,151	6,271,075
265,708	263,974	380,359	419,385	385,778
1,211,810	1,327,522	1,395,007	1,026,976	968,677
4,959,355	5,029,365	4,660,098	4,796,386	4,560,753
4,475,298	4,744,431	5,055,553	5,483,143	4,678,235
44,337	48,947	34,423	37,223	43,359
4,294,431	4,201,741	4,140,062	4,611,017	4,224,167
2,029,663	1,488,463	1,472,350	1,662,591	1,778,315
599,758	583,773	562,450	606,119	550,168
5,820,731	4,758,948	5,715,952	6,242,385	5,485,131
4,122,142	3,818,376	3,052,413	4,306,932	3,392,304
495,129	422,134	456,023	533,722	439,019
1,489,944	1,485,582	1,562,149	1,790,492	1,733,192
22,872	16,603	41,313	53,654	39,054
1,408,146	1,287,632	1,386,725	1,381,672	1,350,043
1,579,616	1,377,679	1,585,230	1,768,561	1,926,040
67,480,298	64,350,365	68,115,805	72,937,174	67,770,368
1,216,037	1,196,799	1,173,451	1,183,200	1,217,535
1,216,037	1,196,799	1,173,451	1,183,200	1,217,535
$ 68,696,335	$ 65,547,164	$ 69,289,256	$ 74,120,374	$ 68,987,903

- - Continued

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Program Revenues	**2018**	**2017**	**2016**	**2015**	**2014**
Governmental activities:					
Charges for services:					
Instruction:					
Regular	$ 1,177,962	$ 998,820	$ 1,026,119	$ 882,386	$ 888,626
Special	50,544	33,694	68,808	60,560	141,314
Vocational	-	6,095	10,466	1,007	5,025
Other	12,258	8,207	13,509	6,697	9,339
Support services:					
Pupil	207,697	248,149	188,906	183,095	217,724
Instructional staff	13,244	11,872	31,707	24,205	43,048
Administration	-	-	-	-	-
Business	-	-	-	-	-
Operations and maintenance	17,703	22,785	9,640	10,052	3,960
Pupil transportation	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	1,295,372	1,262,575	1,206,111	1,201,321	1,203,971
Other non-instructional services	3,650	3,258	4,939	4,573	6,582
Extracurricular activities	797,509	698,237	688,980	713,817	713,453
Operating grants and contributions:					
Instruction:					
Regular	1,736,959	2,048,298	1,972,255	2,093,950	1,838,264
Special	2,133,439	1,896,391	2,010,468	1,931,359	2,406,823
Vocational	29,481	29,713	31,033	34,774	42,573
Other	10,800	10,800	10,800	10,800	10,800
Support services:					
Pupil	786,571	920,434	815,137	673,613	820,753
Instructional staff	64,770	51,206	98,975	99,498	99,534
Administration	187,698	181,419	181,611	168,967	173,782
Business	-	-	-	-	-
Operations and maintenance	2,961	-	-	40,369	-
Pupil transportation	-	-	-	-	-
Central	-	610	-	-	-
Operation of non-instructional services:					
Food service operations	249,998	247,247	226,392	226,121	186,608
Other non-instructional services	29,045	23,154	12,534	5,953	4,443
Extracurricular activities	72,836	31,911	33,169	39,188	20,828
Capital grants and contributions:					
Instruction:					
Regular	6,867	7,884	8,445	46,474	36,645
Support services:					
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Extracurricular activities	67,078	62,721	28,250	208,617	1,168,836
Total governmental program revenues	8,954,442	8,805,480	8,678,254	8,667,396	10,042,931
Business-type activities:					
Charges for services	1,492,116	1,443,154	1,415,488	1,369,879	1,402,122
Total business-type activities program revenues	1,492,116	1,443,154	1,415,488	1,369,879	1,402,122
Total primary government program revenue	$ 10,446,558	$ 10,248,634	$ 10,093,742	$ 10,037,275	$ 11,445,053
Net (Expense)/Revenue					
Governmental activities	$ (30,523,821)	$ (61,656,001)	$ (56,846,613)	$ (55,276,146)	$ (53,841,284)
Business-type activities	173,183	(24,732)	48,952	54,486	57,052
Total primary government net expense	$ (30,350,638)	$ (61,680,733)	$ (56,797,661)	$ (55,221,660)	$ (53,784,232)

2013	2012	2011	2010	2009
$ 798,724	$ 330,894	$ 316,116	$ 439,433	$ 451,235
141,021	116,880	743	-	-
855	568	25,825	-	-
8,847	7,812	14,886	-	-
257,276	243,287	264,389	253,198	297,723
35,663	35,307	34,140	7,163	21,963
-	-	-	4,923	12,235
-	-	85	-	-
9,646	11,608	18,930	7,528	-
-	766	1,460	30,710	34,300
1,276,922	1,285,541	1,373,250	1,471,478	1,523,517
8,279	6,314	6,893	7,611	11,377
579,007	896,877	703,439	482,712	525,392
1,763,997	1,719,629	2,429,755	1,590,686	1,419,089
789,698	576,943	1,030,356	573,887	1,310,832
31,019	31,019	31,019	30,788	30,587
10,800	10,800	31,239	26,899	18,000
705,350	688,718	712,165	931,256	791,228
278,238	316,312	563,627	478,159	283,003
227,220	323,655	371,120	448,525	386,221
-	-	-	44,393	1,127
-	25,068	438,013	454,227	-
-	-	292,609	67,337	59,085
-	-	5,000	8,998	14,879
231,386	207,699	224,050	206,654	158,260
11,061	10,602	37,502	51,645	32,316
42,312	45,651	35,655	50,931	-
25,566	35,181	46,931	54,830	68,133
-	-	-	-	16,000
-	-	-	-	31,820
6,034,097	-	-	-	-
13,266,984	6,927,131	9,009,197	7,723,971	7,498,322
1,291,244	1,342,133	1,244,446	1,196,526	1,277,903
1,291,244	1,342,133	1,244,446	1,196,526	1,277,903
$ 14,558,228	$ 8,269,264	$ 10,253,643	$ 8,920,497	$ 8,776,225
$ (54,213,314)	$ (57,423,234)	$ (59,106,608)	$ (65,213,203)	$ (60,272,046)
75,207	145,334	70,995	13,326	60,368
$ (54,138,107)	$ (57,277,900)	$ (59,035,613)	$ (65,199,877)	$ (60,211,678)

- - 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	**2018**	**2017**	**2016**	**2015**	**2014**
Governmental activities:					
Property taxes levied for:					
General purposes	$ 44,520,840	$ 37,455,272	$ 41,995,699	$ 42,824,517	$ 44,934,135
Debt service	3,456,419	-	-	139,736	1,237,233
Capital outlay	1,288,278	1,096,477	1,225,365	1,266,821	1,319,845
Payments in lieu of taxes	658,751	566,274	472,588	984,788	515,367
Grants and entitlements not restricted to specific programs	16,768,399	17,952,080	18,019,970	18,210,293	17,664,962
Investment earnings	634,979	332,259	30,630	125,658	62,124
Miscellaneous	390,649	421,053	324,742	270,980	194,817
Special item	-	-	-	-	-
Total governmental activities	67,718,315	57,823,415	62,068,994	63,822,793	65,928,483
Business-type activities:					
Grants not restricted to specific programs	88,544	56,635	48,212	50,644	49,354
Total business-type activities	88,544	56,635	48,212	50,644	49,354
Total primary government	$ 67,806,859	$ 57,880,050	$ 62,117,206	$ 63,873,437	$ 65,977,837
Change in Net Position					
Governmental activities	$ 37,194,494	$ (3,832,586)	$ 5,222,381	$ 8,546,647	$ 12,087,199
Business-type activities	261,727	31,903	97,164	105,130	106,406
Total primary government	$ 37,456,221	$ (3,800,683)	$ 5,319,545	$ 8,651,777	$ 12,193,605

Source: School District financial records.

2013	2012	2011	2010	2009
$ 38,656,261	$ 36,431,621	$ 37,602,792	$ 36,458,638	$ 38,615,268
2,138,611	2,116,209	2,249,137	2,257,774	3,510,815
1,128,041	1,132,961	1,268,003	1,280,666	1,609,296
349,063	314,000	314,000	314,000	-
19,104,616	19,770,571	20,657,581	21,020,826	18,921,561
58,911	174,389	184,402	303,682	719,784
215,507	251,152	225,537	98,706	112,913
-	511,000	-	-	-
61,651,010	60,701,903	62,501,452	61,734,292	63,489,637
44,407	-	-	-	-
44,407	-	-	-	-
$ 61,695,417	$ 60,701,903	$ 62,501,452	$ 61,734,292	$ 63,489,637
$ 7,437,696	$ 3,278,669	$ 3,394,844	$ (3,478,911)	$ 3,217,591
119,614	145,334	70,995	13,326	60,368
$ 7,557,310	$ 3,424,003	$ 3,465,839	$ (3,465,585)	$ 3,277,959

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	2018	2017	2016	2015	2014
General Fund:					
Nonspendable	$ 134,433	$ 135,143	$ 41,658	$ 43,680	$ 41,583
Assigned	1,304,837	1,058,137	949,697	1,344,677	860,100
Unassigned	32,080,771	29,656,843	30,597,837	24,668,107	18,603,913
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	$ 33,520,041	$ 30,850,123	$ 31,589,192	$ 26,056,464	$ 19,505,596
All Other Governmental Funds:					
Nonspendable	$ 3,245	$ 5,285	$ 2,076	$ 2,229	$ 11,322
Restricted	89,175,131	1,603,298	2,052,730	2,544,142	3,885,169
Unassigned (deficit)	(99,631)	(92,868)	(112,889)	(25,386)	(15,543)
Reserved	-	-	-	-	-
Unreserved (deficit), reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	$ 89,078,745	$ 1,515,715	$ 1,941,917	$ 2,520,985	$ 3,880,948

Source: School District financial records.

Note: The District implemented GASB Statement No. 54 in 2011, which changed the fund balance classifications.

2013	2012	2011	2010	2009
$ 36,931	$ 35,225	$ 34,833	$ -	$ -
1,026,273	884,086	1,220,404	-	-
9,179,798	7,485,045	6,036,453	-	-
-	-	-	4,487,399	5,553,270
-	-	-	3,955,466	7,467,190
$ 10,243,002	$ 8,404,356	$ 7,291,690	$ 8,442,865	$ 13,020,460
$ 10,782	$ 21,563	$ 22,726	$ -	$ -
4,581,991	7,951,968	7,131,615	-	-
(27,479)	(41,594)	(20,266)	-	-
-	-	-	5,255,294	3,943,832
-	-	-	324,149	643,950
-	-	-	1,419,192	(635,544)
$ 4,565,294	$ 7,931,937	$ 7,134,075	$ 6,998,635	$ 3,952,238

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	2018	2017	2016	2015	2014
Revenues					
From local sources:					
Property taxes	$ 49,466,124	$ 38,638,804	$ 43,368,939	$ 44,766,636	$ 47,389,754
Payments in lieu of taxes	658,751	566,274	472,588	984,788	515,367
Tuition	1,000,995	814,892	792,968	641,669	800,280
Transportation fees	-	-	-	-	-
Earnings on investments	284,914	309,301	141,723	38,680	57,818
Charges for services	1,296,826	1,264,343	1,208,133	1,203,390	1,206,450
Extracurricular	929,092	857,199	846,655	848,935	849,924
Classroom materials and fees	334,060	338,123	363,532	361,002	346,964
Other local revenues	648,354	628,552	480,490	681,522	1,531,441
Intergovernmental - Intermediate	1,525,838	1,403,079	1,405,451	1,335,218	1,307,311
Intergovernmental - State	18,574,053	20,166,871	20,174,136	20,366,537	20,072,709
Intergovernmental - Federal	1,798,717	1,716,766	1,649,257	1,693,478	1,760,248
Total revenues	76,517,724	66,704,204	70,903,872	72,921,855	75,838,266
Expenditures					
Current:					
Instruction:					
Regular	29,518,260	27,041,736	26,634,674	27,131,221	27,194,680
Special	9,733,614	9,320,195	8,766,022	8,943,676	8,615,372
Vocational	296,134	311,872	290,227	269,533	254,736
Other	1,578,566	1,261,399	1,285,813	1,290,104	1,283,858
Support services:					
Pupil	5,059,803	4,933,413	4,826,657	4,567,464	4,706,665
Instructional staff	2,212,400	2,100,786	2,171,807	1,988,037	1,846,576
Board of education	150,458	78,386	38,630	70,249	41,731
Administration	4,340,166	4,028,833	3,867,128	3,868,836	4,020,237
Fiscal	1,460,354	1,361,659	1,410,151	1,206,874	1,619,261
Business	653,470	613,035	623,359	591,359	559,490
Operations and maintenance	5,206,194	5,095,194	4,971,577	4,937,486	4,882,939
Pupil transportation	4,195,685	4,027,925	3,708,416	3,915,887	3,233,565
Central	596,109	531,625	459,386	453,604	525,875
Operation of non-instructional services:					
Food service operations	1,475,061	1,537,420	1,397,609	1,388,802	1,365,327
Other non-instructional services	39,015	37,412	18,080	11,306	17,864
Extracurricular activities	1,902,859	1,652,700	1,567,433	1,479,062	1,458,495
Facilities acquisition and construction	1,780,665	2,095,139	2,025,949	3,367,929	2,312,691
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	1,187,129	1,154,911	1,179,033	1,495,843	3,425,296
Interest and fiscal charges	681,304	693,924	725,382	770,613	816,437
Debt issue costs	543,833	-	-	-	-
Total expenditures	72,611,079	67,877,564	65,967,333	67,747,885	68,181,095
Excess of revenues over (under) expenditures	3,906,645	(1,173,360)	4,936,539	5,173,970	7,657,171
Other Financing Sources (Uses)					
Transfers in	1,784,000	1,796,000	1,781,000	1,645,000	1,006,000
Transfers (out)	(1,784,000)	(1,796,000)	(1,781,000)	(1,645,000)	(1,006,000)
Proceeds from sale of assets	25,019	8,089	17,121	16,935	2,686
Capital lease transaction	1,190,970	-	-	-	918,391
Software license obligation transaction	-	-	-	-	-
Premium on debt issuance	3,560,314	-	-	-	-
Sale of bonds	81,550,000	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-
Issuance of certificates of participation	-	-	-	-	-
Total other financing sources (uses)	86,326,303	8,089	17,121	16,935	921,077
Special item	-	-	-	-	-
Net change in fund balances	$ 90,232,948	$ (1,165,271)	$ 4,953,660	$ 5,190,905	$ 8,578,248
Debt service as a percentage of noncapital expenditures	2.67%	2.80%	3.04%	3.51%	6.26%

Source: School District financial records.

2013	2012	2011	2010	2009
$ 42,122,419	$ 40,745,914	$ 40,697,004	$ 39,204,717	$ 43,210,965
349,063	314,000	314,000	314,000	-
703,700	205,244	102,236	125,137	122,188
-	-	33,815	30,710	34,300
51,472	180,591	221,277	384,418	695,776
1,279,995	1,288,685	1,378,231	1,476,715	1,529,079
769,849	1,086,564	911,328	765,723	776,075
346,101	328,148	302,976	289,526	297,232
452,473	396,017	332,259	342,666	398,069
1,278,479	1,156,822	1,260,719	1,187,368	267,000
20,078,720	20,820,684	21,447,166	21,517,696	21,580,927
1,856,419	2,253,792	3,752,699	2,732,027	1,557,897
69,288,690	68,776,461	70,753,710	68,370,703	70,469,508
26,755,411	26,547,675	29,920,213	30,065,006	29,257,245
6,406,501	6,186,526	7,160,628	6,748,321	6,295,345
241,724	244,846	395,679	405,644	378,932
1,211,810	1,327,522	1,394,094	1,024,287	961,250
4,908,661	5,026,641	4,744,635	4,739,136	4,600,883
4,319,163	4,773,005	5,205,729	5,354,574	4,767,246
44,201	49,083	34,423	37,223	43,359
4,259,944	4,215,459	4,178,672	4,567,935	4,240,788
2,023,839	1,488,408	1,482,001	1,662,388	1,786,706
593,078	586,663	573,689	615,677	565,160
4,772,810	4,776,440	5,161,634	5,398,265	5,077,949
3,954,783	3,663,230	3,484,103	4,181,700	3,240,860
499,551	426,422	464,868	530,602	439,754
1,435,672	1,543,380	1,572,734	1,748,682	1,736,090
23,995	35,185	51,019	52,563	44,541
1,241,538	1,220,646	1,314,292	1,300,036	1,272,230
1,002,774	1,011,533	1,308,126	2,480,455	1,356,136
340,880	-	-	-	-
3,306,932	1,910,778	1,127,382	639,771	635,534
847,026	2,362,798	3,111,002	3,041,895	3,020,011
302,738	-	-	91,606	-
68,493,031	67,396,240	72,684,923	74,685,766	69,720,019
795,659	1,380,221	(1,931,213)	(6,315,063)	749,489
1,006,000	1,326,000	1,229,317	515,476	35,000
(1,006,000)	(1,326,000)	(1,229,317)	(515,476)	(35,000)
20,674	19,307	61,291	14,393	16,000
-	-	854,187	-	-
340,880	-	-	-	-
64,451	-	-	55,215	-
-	-	-	4,714,257	-
(21,474,661)	-	-	-	-
18,725,000	-	-	-	-
(2,323,656)	19,307	915,478	4,783,865	16,000
511,000	-	-	-	-
$ (1,016,997)	$ 1,399,528	$ (1,015,735)	$ (1,531,198)	$ 765,489
6.23%	6.56%	5.97%	5.00%	5.55%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
Collection Year	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**
2018	$ 1,077,345,980	$ 3,078,131,371	$ -	$ -	$ 13,613,760	$ 38,896,457
2017	948,759,150	2,710,740,429	-	-	8,461,030	24,174,371
2016	928,703,860	2,653,439,600	-	-	7,238,320	20,680,914
2015	919,449,390	2,626,998,257	-	-	7,450,040	21,285,829
2014	890,931,340	2,545,518,114	-	-	6,390,820	18,259,486
2013	885,645,250	2,530,415,000	-	-	5,718,170	16,337,629
2012	880,837,040	2,516,677,257	-	-	4,697,110	13,420,314
2011	949,773,800	2,713,639,429	-	-	4,990,800	14,259,429
2010	942,970,570	2,694,201,629	1,485,955	23,775,280	4,820,720	13,773,486
2009	943,668,810	2,696,196,600	1,468,633	23,498,128	4,906,500	14,018,571

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) Tangible personal property is assessed at varying percentages of true value ranging from 0% to 25%.

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

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

Total			
Assessed Value	**Estimated Actual Value**	**Total Direct Tax Rate (d)**	**Assessed Value as a Percentage of Estimated Actual Value**
$ 1,090,959,740	$ 3,117,027,829	$ 93.40	35.00%
957,220,180	2,734,914,800	88.43	35.00%
935,942,180	2,674,120,514	88.43	35.00%
926,899,430	2,648,284,086	88.43	35.00%
897,322,160	2,563,777,600	89.01	35.00%
891,363,420	2,546,752,629	91.24	35.00%
885,534,150	2,530,097,571	91.33	35.00%
954,764,600	2,727,898,857	86.03	35.00%
949,277,245	2,731,750,394	86.23	34.75%
950,043,943	2,733,713,299	86.20	34.75%

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**
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
2011/2012	Boston Township	2.90	0.59	-	3.49	91.33	14.16	7.98	8.80	1.00	123.27
	Boston Heights Village	2.90	0.59	-	3.49	91.33	14.16	6.10	-	-	111.59
	Hudson City	2.90	0.59	2.10	5.59	91.33	14.16	7.97	-	-	113.46
	Cuyahoga Falls City	2.90	0.59	-	3.49	91.33	14.16	11.00	-	-	116.49
2010/2011	Boston Township	2.50	0.59	-	3.09	86.03	14.16	7.98	8.80	1.00	117.97
	Boston Heights Village	2.50	0.59	-	3.09	86.03	14.16	6.10	-	-	106.29
	Hudson City	2.50	0.59	2.05	5.14	86.03	14.16	7.22	-	-	107.41
	Cuyahoga Falls City	2.50	0.59	-	3.09	86.03	14.16	11.00	-	-	111.19
2009/2010	Boston Township	2.70	0.48	-	3.18	86.23	14.16	7.98	8.80	1.00	118.17
	Boston Heights Village	2.70	0.48	-	3.18	86.23	14.16	6.10	-	-	106.49
	Hudson City	2.70	0.48	1.90	5.08	86.23	14.16	7.07	-	-	107.46
	Cuyahoga Falls City	2.70	0.48	-	3.18	86.23	14.16	11.00	-	-	111.39
2008/2009	Boston Township	2.66	0.41	-	3.07	86.20	14.16	7.98	8.80	1.00	118.14
	Boston Heights Village	2.66	0.41	-	3.07	86.20	14.16	6.60	-	-	106.96
	Hudson City	2.66	0.41	2.00	5.07	86.20	14.16	7.17	-	-	107.53
	Cuyahoga Falls City	2.66	0.41	-	3.07	86.20	14.16	11.00	-	-	111.36

Source: Summit County Fiscal Officer

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2017 AND DECEMBER 31, 2008

	December 31, 2017		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
Little Tikes, Inc.	$ 10,511,690	1	1.10%
Costco Wholesale Corporation	8,642,670	2	0.90%
East Ohio Gas Company	5,910,850	3	0.62%
Hudson Senior Housing - Propco LLC	5,156,210	4	0.54%
Premier Arhaus LLC	4,877,320	5	0.51%
Allstate Insurance Co.	4,775,990	6	0.50%
JoAnn Stores Support Center, Inc.	4,705,500	7	0.49%
Hudson Village Finance Co. LLC	3,371,760	8	0.35%
Boston Mills Partners LLC	2,789,960	9	0.29%
Albrecht Incorporated	2,765,070	10	0.29%
Total	$ 53,507,020		5.59%

	December 31, 2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total District Taxable Assessed Value**
Allstate Insurance Company	$ 7,399,200	1	0.79%
Little Tikes, Inc.	5,840,040	2	0.63%
Fabri-Centers of America, Inc.	3,728,630	3	0.40%
Title Guarantee & Trust Co. Trustee	3,367,410	4	0.36%
Windstream Western Reserve, Inc.	3,130,720	5	0.34%
Ohio Edison	2,697,850	6	0.29%
Hudson MOB LLC	2,248,970	7	0.24%
Albrecht, Inc.	1,999,300	8	0.21%
Avaria Properties LLC	1,850,710	9	0.20%
Kobelco Stewart Bolling, Inc.	1,828,680	10	0.20%
Total	$ 34,091,510		3.66%

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
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%
2011/2012	48,570,508	3,531,347	52,101,855	46,783,723	96.32%
2010/2011	44,564,731	4,788,842	49,353,573	42,622,064	95.64%
2009/2010	44,490,221	4,041,672	48,531,893	42,948,809	96.54%
2008/2009	44,639,956	3,841,881	48,481,837	42,756,369	95.78%

Source: Summit County Fiscal Officer

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
$ 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%
1,786,784	48,570,507	93.22%
1,150,492	43,772,556	88.69%
1,541,412	44,490,221	91.67%
1,883,587	44,639,956	92.08%

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	Capital Leases	Software License Obligation	(a) Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
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
2012	28,930,317	537,113	-	29,467,430	2.74%	1,328	6,205
2011	31,677,808	697,927	-	32,375,735	3.05%	1,454	6,621
2010	34,185,325	-	-	34,185,325	3.12%	1,485	6,876
2009	31,360,374	-	-	31,360,374	3.31%	1,354	6,383

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 Statistic, 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)	Fund Balances Restricted for Debt Service	Net General Obligation Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2018	$ 102,705,364	$ (6,394,498)	$ 96,310,866	3.09%	$ 4,330
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	(302,335)	21,484,239	0.84%	956
2013	24,933,232	(1,311,307)	23,621,925	0.93%	1,058
2012	28,930,317	(4,469,722)	24,460,595	0.97%	1,103
2011	31,677,808	(3,828,701)	27,849,107	1.02%	1,251
2010	34,185,325	(3,730,347)	30,454,978	1.11%	1,323
2009	31,360,374	(3,661,877)	27,698,497	1.01%	1,196

(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, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Direct Debt and Estimated Share of Overlapping Debt
Direct debt:			
Hudson City School District	$ 103,731,252 (b)	100.00%	$ 103,731,252
Total direct debt	103,731,252		103,731,252
Overlapping debt:			
City of Hudson	37,566,231	99.73%	37,464,802
City of Cuyahoga Falls	16,420,000	3.68%	604,256
Summit County	42,675,000	8.80%	3,755,400
Boston Heights Village	3,835,000	61.44%	2,356,224
Total overlapping debt	100,496,231		44,180,682
Total direct and overlapping debt	$ 204,227,483		$ 147,911,934

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) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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 Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
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%
2012	885,534	79,698,074	28,885,000	4,469,722	24,415,278	55,282,796	30.63%
2011	891,363	85,479,642	30,634,964	3,828,701	26,806,263	58,673,379	31.36%
2010	947,791	85,301,216	31,606,086	3,730,347	27,875,739	57,425,477	32.68%
2009	948,337	85,350,292	27,531,600	3,661,877	23,869,723	61,480,569	27.97%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	$ 1,090,959,740
Debt limit (9% of assessed value)	98,186,377
Add: debt service fund equity	6,394,498
Less: debt applicable to limit	(83,590,000)
Legal debt margin	$ 20,990,875

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 (a)	School Enrollment (b)	Unemployment Rates (c) Summit County	Ohio (d)	United States (d)
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%
2012	22,182	1,074,141,168	48,424	41.3	4,749	7.1%	7.2%	8.2%
2011	22,262	1,060,472,632	47,636	41.3	4,890	8.7%	8.8%	9.2%
2010	23,026	1,096,866,536	47,636	41.3	4,972	9.4%	10.5%	9.5%
2009	23,154	947,345,910	40,915	38.9	4,913	10.5%	11.1%	9.5%

Sources/Notes:
(a) U.S. Census Bureau; City of Hudson estimates for the calendar year prior to the fiscal year listed (information is available on a calendar year basis only). Median age is from the latest census.
(b) District records
(c) June Ohio Labor Market Information, Ohio Department of Job and Family Services
(d) Seasonally adjusted

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

PRINCIPAL EMPLOYERS
DECEMBER 31, 2017 AND DECEMBER 31, 2008

	December 31, 2017	
Employer	**Employees**	**Percentage of Total City Employment**
Jo-Ann Stores	1,397	7.68%
Allstate Insurance Company	1,377	7.57%
Hudson City School District	993	5.46%
Little Tikes Company	564	3.10%
City of Hudson	323	1.77%
Laurel Lakes Retirement Community	315	1.73%
University Hospitals Health System	281	1.54%
AML Rightsource LLC	268	1.47%
Leaffilter North Inc.	264	1.45%
Western Reserve Academy	250	1.37%
Total	6,032	33.14%
Total Employment within the City	18,201	

	December 31, 2008
Employer	**Employees**
Jo-Ann Stores Inc.	1,800
Allstate Insurance Company	1,500
Little Tikes Company	1,400
Hudson City School District	796
Laurel Lake Retirement Community	356
Windstream Communications Inc.	291
Western Reserve Academy	230
City of Hudson	208
Universal Screen Arts Inc.	181
FedEx Supply Chain Services Inc.	157
Total	6,919

Source: City of Hudson records.

Notes: The total city employment for 2008 was not available.
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	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Professional Staff:										
Teaching Staff:										
Elementary	115	113	111	106	109	116	116	128	135	138
Middle	70	69	68	76	67	69	71	82	83	83
High	95	95	93	93	95	94	99	106	109	111
Tutors	23	21	28	29	25	20	19	19	18	23
Others	4	4	3	3	4	4	4	3	3	2
Administration:										
District	26	26	25	25	25	25	26	27	29	28
Auxiliary Positions:										
Counselors	13	13	13	13	13	13	13	12	12	12
Speech	8	9	9	9	10	9	9	9	10	13
Mental Health Specialists	5	7	7	11	10	8	6	7	7	7
Other	29	32	33	27	29	27	27	29	28	31
Support Staff:										
Secretarial	44	44	45	44	45	48	46	46	46	49
Aides	92	93	92	91	90	92	89	94	91	95
Hall monitor/Security	11	11	11	10	13	11	11	11	10	10
Food service	20	20	19	19	21	21	21	23	23	26
Custodial	29	30	31	31	32	32	34	33	33	32
Maintenance	10	8	10	10	10	9	10	10	10	10
Other	2	2	2	2	2	2	3	3	3	3
Total	596	597	600	599	600	600	604	642	650	673

Function	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**2009**
Instruction:										
Regular	225	225	227	231	223	226	228	254	265	268
Special	77	72	72	72	73	73	76	78	77	84
Vocational	1	1	1	1	1	1	1	3	3	3
Other	4	4	3	3	3	3	4	3	3	2
Support Services:										
Pupil	47	48	47	50	54	49	47	50	48	52
Instructional staff	112	118	119	111	109	109	107	112	110	115
Administration	57	57	57	58	61	65	64	64	64	66
Fiscal	6	6	6	6	6	6	6	6	7	7
Business	5	5	4	4	4	4	4	4	5	5
Operations and maintenance	40	39	42	41	43	41	44	43	43	43
Central	2	2	2	2	2	2	2	2	2	2
Food service	20	20	20	20	21	21	21	23	23	26
Total Governmental Activities	596	597	600	599	600	600	604	642	650	673

Source: School District records

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular and Special										
Enrollment (students)	4,708	4,661	4,656	4,598	4,617	4,681	4,749	4,890	4,972	4,913
Graduates	389	391	401	410	398	405	416	427	438	413
Support services:										
Administration										
Student attendance rate	95.90%	96.00%	95.80%	96.20%	96.30%	96.00%	96.40%	96.10%	95.90%	96.10%
Food service operations:										
Number of students with										
free or reduced lunches	243	254	218	243	249	241	231	245	195	174

Source: District records and Ohio Department of Education

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

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

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2013	2012	2011	2010	2009
$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204	$ 1,032,204
-	-	-	1,614,430	-
4,375,993	705,203	620,291	654,617	728,050
45,512,554	44,852,263	45,681,260	44,641,696	45,883,889
3,098,322	2,880,583	2,622,006	1,892,296	2,033,947
1,131,940	1,299,524	1,127,057	699,189	802,775
352,637	-	-	-	-
$ 55,503,650	$ 50,769,777	$ 51,082,818	$ 50,534,432	$ 50,480,865

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012
Evamere Elementary							
Square feet	59,847	59,847	59,847	59,847	59,847	59,847	59,847
Enrollment	604	594	580	563	556	518	568
McDowell Elementary							
Square feet	56,800	56,800	56,800	56,800	56,800	56,800	56,800
Enrollment	309	327	317	288	344	287	329
Ellsworth Hill Elementary							
Square feet	64,411	64,411	64,411	64,411	64,411	64,411	64,411
Enrollment	424	381	390	364	328	405	352
East Woods School							
Square feet	139,900	139,900	139,900	139,900	139,900	139,900	139,900
Enrollment	682	663	683	661	660	688	679
Hudson Middle School							
Square feet	190,432	190,432	190,432	190,432	190,432	190,432	190,432
Enrollment	1,086	1,122	1,081	1,101	1,089	1,121	1,165
Hudson High School							
Square feet	342,620	342,620	342,620	342,620	342,620	342,620	342,620
Enrollment	1,603	1,574	1,605	1,621	1,640	1,662	1,656

Source: District records

Notes:
Evamere Elementary School's enrollment includes Kindergarten students attending on a half-time basis.

2011	2010	2009
59,847	59,847	59,847
564	566	606
56,800	56,800	56,800
330	319	366
64,411	64,411	64,411
396	402	388
139,900	139,900	139,900
718	747	757
190,432	190,432	190,432
1,193	1,192	1,238
342,620	342,620	342,620
1,689	1,746	1,757

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

TEACHER STATISTICS
AS OF JUNE 30, 2018

Degree	Number of Teachers	Percentage of Total	Pay Range
Associates and/or High School Diploma	1	0.36%	(a)
Bachelor's Degree	34	12.14%	$42,437 - $81,611
Master's Degree	243	86.79%	$46,196 - $101,633
Ph.D.	2	0.71%	$52,354 - $105,868
	280	100.00%	

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	55	19.64%
6 - 10	37	13.21%
11 and over	188	67.14%
	280	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 Expenditures (a)	General Government Cost per pupil	Governmental Activities Expenses (a)	Governmental Activities Cost per pupil	Enrollment	Percent Change	Teaching Staff	Student Attendance Percentage
2018	$ 70,742,646	$15,026	$ 37,220,615	$ 7,906	4,708	1.01%	344	95.90%
2017	66,028,729	14,166	69,695,360	14,953	4,661	0.11%	342	96.00%
2016	64,062,918	13,759	64,727,232	13,902	4,656	1.26%	338	95.80%
2015	65,481,429	14,241	63,101,112	13,724	4,598	-0.41%	342	96.20%
2014	63,939,362	13,849	62,998,894	13,645	4,617	-1.37%	342	96.30%
2013	64,339,073	13,745	65,900,682	14,078	4,681	-1.43%	342	96.00%
2012	63,122,664	13,292	62,972,686	13,260	4,749	-2.88%	345	96.40%
2011	68,446,539	13,997	66,530,575	13,605	4,890	-1.65%	381	96.10%
2010	70,912,494	14,262	71,168,613	14,314	4,972	1.20%	397	95.90%
2009	66,064,474	13,447	65,844,328	13,402	4,913	-8.00%	399	96.10%

Source: District records

(a) Debt service totals have been excluded.

THIS PAGE IS INTENTIONALLY LEFT BLANK