



#NEVERSTOPEXPLORING

POPULAR ANNUAL FINANCIAL REPORT | PAFR

FOR THE YEAR ENDED JUNE 30, 2023



HUDSON
CITY SCHOOL DISTRICT



Dear Hudson Community,

It is our pleasure to present this new Popular Annual Financial Report (PAFR) to you. In addition to our Monthly Financial Reports and our Annual Comprehensive Financial Report (ACFR), this is another way to inform the public about the financial operating activities of the Hudson City School District. Our goal is to provide transparent, timely, and relevant financial information in a clear, easy to read, user friendly format.

We operate our district primarily from the resources coming from the district’s General Fund, which is the focus of this report. The PAFR is prepared on a cash basis of accounting. The information presented is unaudited and has been compiled by the district for this report from the most recent fiscal year ended June 30, 2023.

We are the stewards of the community’s investment in Hudson City Schools. We take that responsibility seriously, and we feel strongly that our taxpayers have a right to know and understand how their tax dollars are being spent.

We appreciate your continued support of the district and hope that you find this report informative. If you have any comments or questions, please feel free to contact me at buttop@hudson.k12.oh.us or call me at 330-653-1293.

Sincerely,

Phillip D. Butto IV, CPA
Treasurer

Dana W. Addis
Superintendent

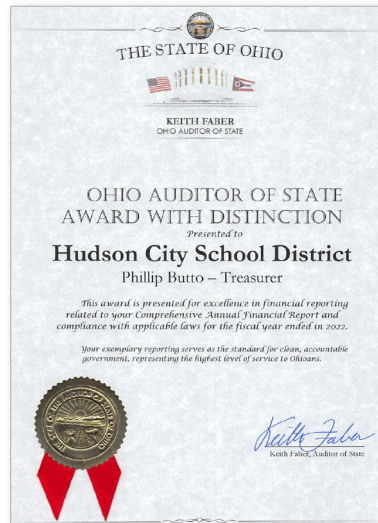


HUDSON CITY SCHOOL DISTRICT
76 N. Hayden Parkway, Hudson, Ohio 44236
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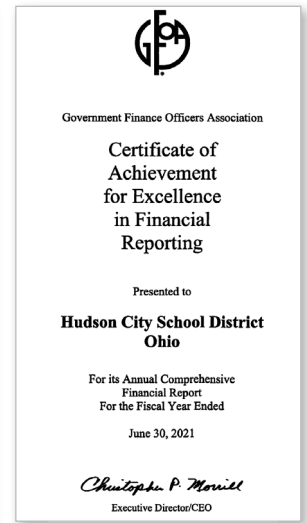


Board of Education Members (from left to right): Laura Jones, Steve DiMauro (President), Tom Tobin, James Field, Alisa Wright (Vice President)

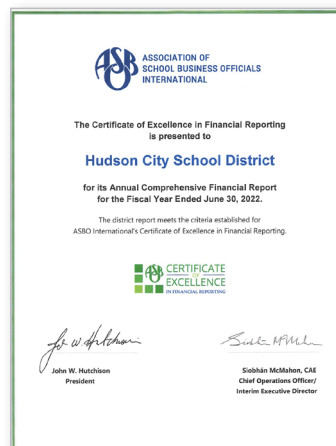
FINANCIAL AWARDS



Auditor of State Award with Distinction



GFOA Certificate of Achievement



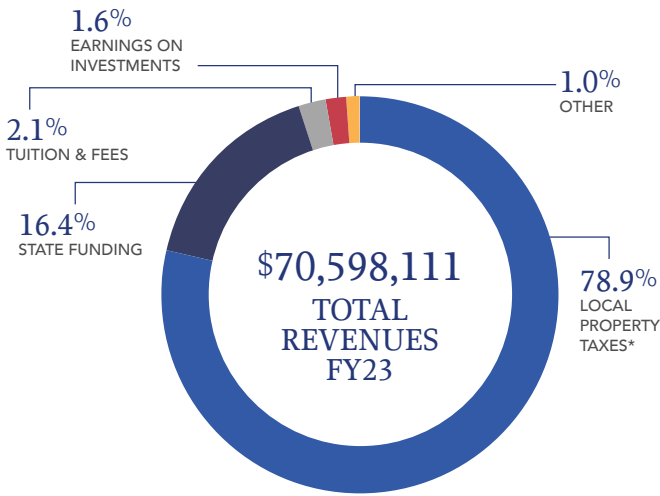
ASBO Certificate of Excellence



Hudson City School District received a four-star rating on the State of Ohio Auditor’s Star Rating System. This is the Highest Achievement for the Award. A four-star rating means that the district was compliant with all Sunshine Law requirements and has implemented at least five best practices.

Moody’s Credit Rating: Aa1

OPERATING REVENUE: Where Does it Come From?



Local Property Taxes

The chart to the left shows the distribution of the district's revenue sources for its main Operating Fund, the General Fund. Property taxes* make up 79% of all district operating revenue. Property taxes are supported by operating levies. The last new operating levy was passed in May 2011.

State Funding

State foundation funding and all of its components represent 16% of the district's revenue. The formula that governs state funding places Hudson on the "State Guarantee." As a guarantee district, Hudson receives a fixed amount of state funding that cannot grow due to Hudson's property and income wealth. In fact, Hudson receives slightly less state funding today (\$11.5M) than it did 12 years ago (\$11.8M).

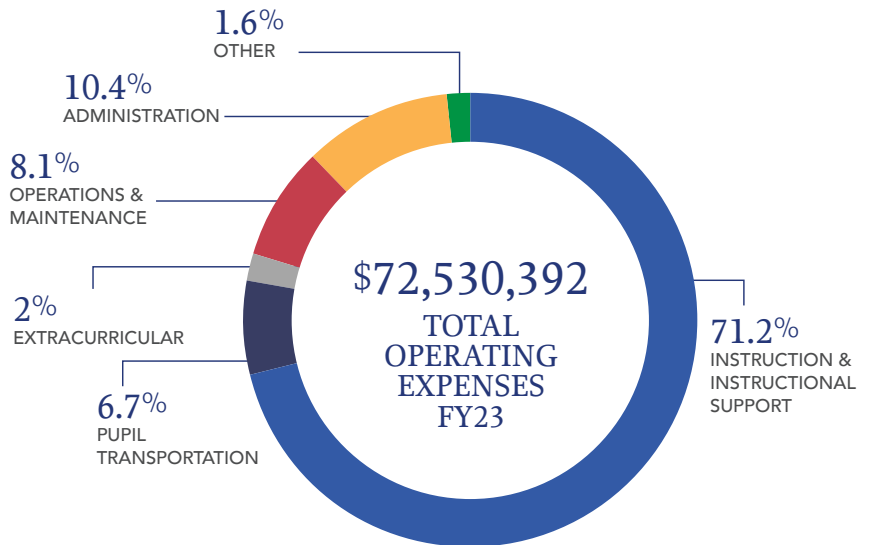
GENERAL FUND REVENUES	2020	2021	2022	2023
Local Property Taxes*	\$51,763,643	\$52,836,512	\$53,502,046	\$55,675,324
State Funding	\$10,759,683	\$11,004,854	\$11,390,311	\$11,582,313
Tuition & Fees	\$1,342,747	\$1,444,136	\$1,661,616	\$1,522,614
Earnings on Investments	\$1,156,955	\$281,703	\$164,084	\$1,102,617
Other	\$967,886	\$1,266,528	\$925,139	\$715,243
Total Revenues	\$65,990,915	\$66,833,732	\$67,643,195	\$70,598,111

* Includes residential, commercial, and public utility taxes, as well as property tax credits reimbursed by the State.

OPERATING EXPENSES

Expenses by Purpose

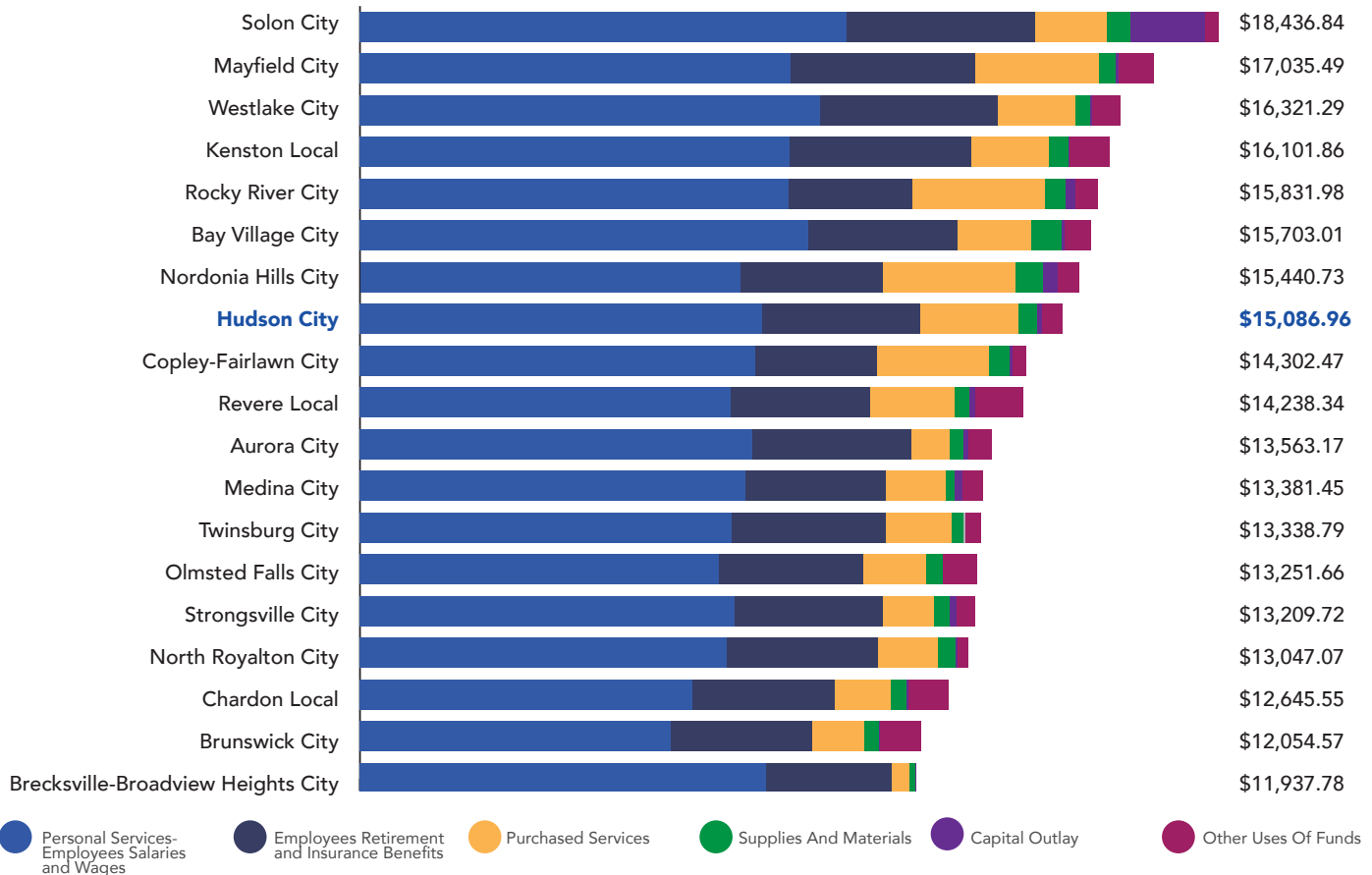
The chart to the right depicts the district's actual operating expenses for Fiscal Year 2023. When the categories of Instruction, Instructional Support, Transportation, and Extracurricular are combined, 79.8% of all expenditures are directly tied to the student experience.



OPERATING EXPENSES	2020	2021	2022	2023
Instruction & Instructional Support	\$47,461,348	\$47,219,393	\$48,522,759	\$51,650,360
Pupil Transportation	\$3,940,951	\$4,312,449	\$4,824,368	\$4,849,122
Extracurricular	\$1,305,966	\$1,315,984	\$1,298,579	\$1,426,663
Operations & Maintenance	\$5,107,775	\$5,276,799	\$5,696,576	\$5,892,084
Administration	\$6,509,234	\$6,953,873	\$7,307,771	\$7,572,864
Other	\$1,497,336	\$1,704,272	\$1,840,306	\$1,139,299
Total Operating Expenses	\$65,822,610	\$66,782,770	\$69,490,359	\$72,530,392

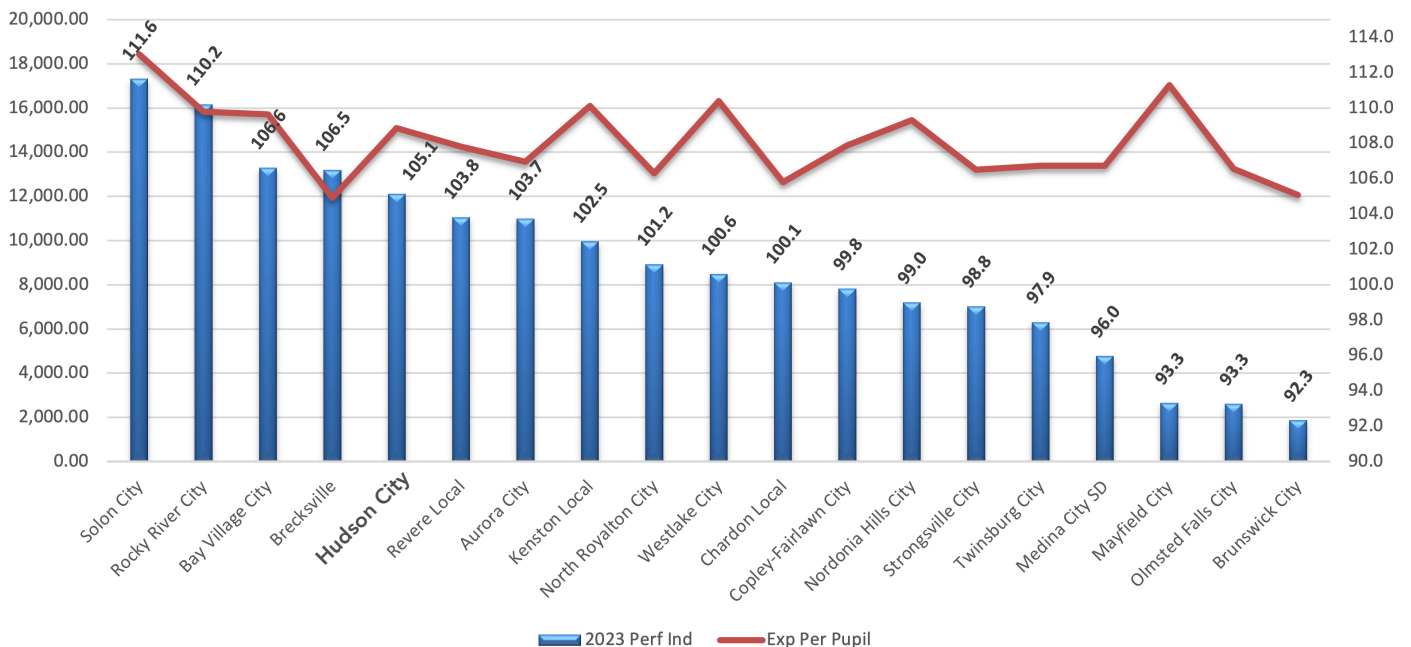
EXPENSES: DISTRICT COMPARISON

The chart below compares categories of spending per pupil among 19 comparable, high-performing school districts in Northeast Ohio. Spending per pupil varies among school districts based upon the total funding available and the number of students enrolled. The Hudson City School District spends \$15,087 per pupil, which is typical within this peer group.



District Performance Ranking vs. Spending Per Pupil

In addition, the district has been able to direct a higher percentage of funding towards student learning and experience which has contributed to a Performance Index Score of 105.1, falling in the top 3.5% statewide. In comparison to its peer districts, with comparable spending, Hudson City schools offers a superior education to its students and a tremendous value to the community.



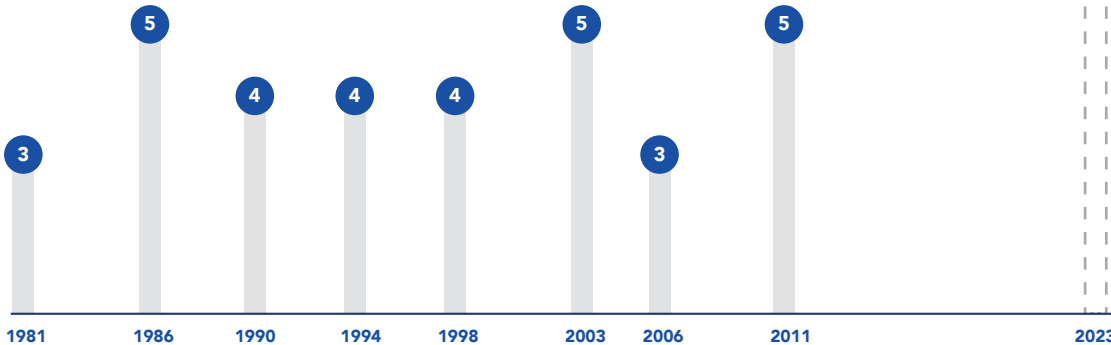
FINANCIAL FORECAST

The Hudson City School District has maintained a positive cash position since the last operating levy was passed in 2011. Although the revenue from past voted levies remains relatively constant, additional revenue from new residential and commercial construction has helped to sustain the district financially over the last twelve years. During that time, the district has consistently employed efforts to contain and reduce spending, including staffing and programming reductions, staffing efficiencies, operational efficiencies, and a recent operational budget reduction. Inflationary increases in basic operational costs as well as a rise in expenses related to student learning and supports following COVID-19 have recently put the district into a cycle of deficit spending. The table below shows the dramatic compounding effect of deficit spending on the district’s cash balance over the next four years. It is for this reason that, after twelve years, the district is finally ready to once again appeal to the community for a new operating levy.

FINANCIAL FORECAST <i>(shown in thousands)</i>	Fiscal Year 2023 Actual	Fiscal Year 2024 Projected	Fiscal Year 2025 Projected	Fiscal Year 2026 Projected	Fiscal Year 2027 Projected
Beginning Balance	\$31,356,851	\$29,424,571	\$25,301,114	\$19,926,966	\$13,392,893
Revenues	\$70,598,111	\$71,351,986	\$72,979,372	\$74,044,390	\$75,429,697
Expenses	\$(72,530,391)	\$(75,475,443)	\$(78,353,520)	\$(80,578,463)	\$(82,944,674)
Operating Surplus/(Deficit)	\$(1,932,280)	\$(4,123,457)	\$(5,374,148)	\$(6,534,073)	\$(7,514,977)
Ending Balance	\$29,424,571	\$25,301,114	\$19,926,966	\$13,392,893	\$5,877,916

OPERATING TAX LEVIES

YEARS BETWEEN LEVIES



Levy Duration

Historically, the district has reached out to its voters every 3-5 years for new operating dollars. The last operating levy was passed in May 2011 extending the current levy cycle for 12 years! Comparable districts have passed 2 and 3 new operating levies during the same period of time.

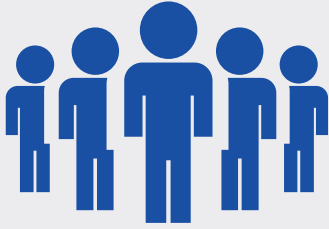
Why Do We Need Operating Levies?

House Bill 920 serves to protect taxpayers from inflationary increases in property values and taxes by reducing the tax rate of VOTED levies when property values increase. Thus, unless a school district passes a new levy, the total revenue collected by the district will not materially increase. Individual properties can fluctuate based on their property value change relative to the average change, but the total district tax collected will not. Long term this leads to levy cycles where districts must return to voters periodically for new levies.



THE NUMBERS BEHIND HUDSON CITY SCHOOLS

TOTAL ENROLLMENT



NUMBER OF EMPLOYEES

648

Hudson City Schools is the 5th largest employer in the City of Hudson

ENROLLMENT BY GRADE



433	PK- K
674	1-2
1,031	3-5
1,041	6-8
1,534	9-12



SQUARE FOOTAGE OF BUILDINGS MAINTAINED

833,649

BUS TRANSPORTATION

48	TOTAL ROUTES
2,654	AVERAGE DAILY RIDERS
3,086	TOTAL DAILY MILES



RECENT DISTRICT ACCOMPLISHMENTS

Ohio Department of Education – Ohio Local Report Card

★★★★★ Overall Rating (PI Score: 105.1)

★★★★★
Early Literacy

★★★★★
Progress

★★★★★
Achievement

★★★★★
Graduation

★★★★★
Gap Closing

#8 Best School District in Ohio, A+ Overall Grade –
Niche 2024

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



2023 Graduates

243 graduates with honors

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

22 National Merit Scholars

- 5 Finalists
- 17 Commended

Exceptional Learning Opportunities:

- 22 Advanced Placement courses are offered.
- Project-Based Learning across all grade levels
- Service Learning Course
 - Hudson High School – Interdisciplinary English and social studies courses with students in the community serving others
 - Hudson Middle School – Students will be empowered to use research, writing, and communication skills to learn about the world, then take action to improve it
- New Dimensions
 - Interdisciplinary Humanities Course at the High School
- Geometric Design
 - Geometry and Industrial Arts
- H2BE- Honors Biology and Honors English - Interdisciplinary Course
- Music Opportunities
 - Choir grades 3 - 12
 - Orchestra grades 4 - 12
 - Band grades 5 - 12
- Six languages are taught in Hudson
 - 55 Bilingual Seals
 - Mandarin*, Spanish*, French*, German*, ASL, Latin
 - *Also taught in HMS
- Innovation
 - 26 Career Programs offered through the Six District Compact
 - Maker Space @ HMS and HHS

Performing Arts

- Hudson High School Orchestra earned Superior Ratings in the respective classification at the OMEA (Ohio Music Educators Association) State Orchestra Contest
- Jazz Ensemble was selected to travel and participate in the University of Northern Colorado Jazz Festival in Greeley, CO, earning a Superior Rating
- The High School Musical, The Addams Family, was nominated for NINE Dazzle Awards. The Dazzle Awards are hosted by Playhouse Square in Cleveland
- The Pit Orchestra for our musical, The Addams Family, won a second straight “Best Student Orchestra” Dazzle Award
- Swing Marching Band: 133 students, 10 types of instruments, Dance line
- Our Time to Shine – a play co-produced and performed by students with and without disabilities

Hudson Athletics 2022-2023

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





ENGAGED COLLABORATOR

An Explorer helps everyone learn and grow by proactively listening, thoughtfully presenting ideas, respecting all voices, and collaborating to achieve shared goals.

EMPATHETIC CONTRIBUTOR

An Explorer understands and learns from others' feelings, thoughts, and experiences. An Explorer actively looks for opportunities that improve the lives of others.

ADAPTIVE PROBLEM SOLVER

An Explorer perseveres to reach solutions, even in rapidly changing environments filled with diverse views, obstacles, and sometimes failure.

ETHICAL CITIZEN

An Explorer courageously and consistently demonstrates honesty and integrity, even when it's difficult, unpopular, or when no one is watching.

LIFELONG LEARNER

An Explorer lives a healthy, hopeful, and balanced life; embraces new ideas and diverse perspectives; and is always learning, reflecting, and growing.

CRITICAL THINKER

An Explorer is open-minded, curious, thoughtful, and informed by evidence when evaluating and proposing solutions.



HUDSON
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