

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited the general purpose financial statements of Hudson City School District, Summit County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 22, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 22, 2000.

Hudson City School District
Summit County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, the Audit Committee, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 22, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Education:

Compliance

We have audited the compliance of Hudson City School District, Summit County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 22, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of management, the Audit Committee, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 22, 2000

**HUDSON LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$38,434		\$42,731
National School Lunch Program	03PU-99	10.555	\$12,363		\$12,363	
	03PU-00		29,941		29,941	
	04PU-99		3,205		3,205	
	04PU-00		8,572		8,572	
Total U.S. Department of Agriculture - Child Nutrition Cluster			54,081	38,434	54,081	42,731
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education - Grants to States	6BSF98	84.027	5,139		45,808	
	6BSF99		187,838		188,715	
Total Special Education - Grants to States			192,977		234,523	
Special Education - Preschool Grant	PGS100	84.173	23,644		18,667	
	PGS199		0		2,251	
Total Special Education - Preschool Grant			23,644		20,918	
Total Special Education Cluster			216,621		255,441	
Innovative Education Program Strategies	C2S198	84.298	(844)		28,537	
	C2S199		33,569		42,621	
Total Innovative Education Program Strategies			32,725		71,158	
Safe and Drug-Free Schools and Communities - State Grants	DRS198	84.186	(2)		14,574	
	DRS199		23,675		14,877	
Total Safe and Drug-Free Schools and Communities - State Grants			23,673		29,451	
Eisenhower Professional Development State Grants	MSS198	84.281	(6,134)		14,418	
	MSS199		18,875		18,876	
	MSS200		0		16,375	
Total Eisenhower Professional Development State Grants			12,741		49,669	
<i>Passed Through Summit County:</i>						
Technology Innovation Challenge Grants	RR303A50380	84.303	50,681		38,383	
<i>Passed Through Summit Six District Vocational Educational Compact:</i>						
Vocational Education - Basic Grants to States	CPII-S98-098	84.048	495		8,840	
Total U.S. Department of Education			336,936		452,942	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Serve America - School and Community Based Programs						
	SV-S4-99	94.004	(21)		4,087	
	SV-S4-00		10,000		6,988	
Total Learn and Serve America State Grants			9,979		11,075	
Totals			<u>\$400,996</u>	<u>\$38,434</u>	<u>\$518,098</u>	<u>\$42,731</u>

The accompanying notes to this schedule are an integral part of this schedule.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster CFDA #84.027, Special Education Grants to States & #84.173, Special Education Preschool Grant
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

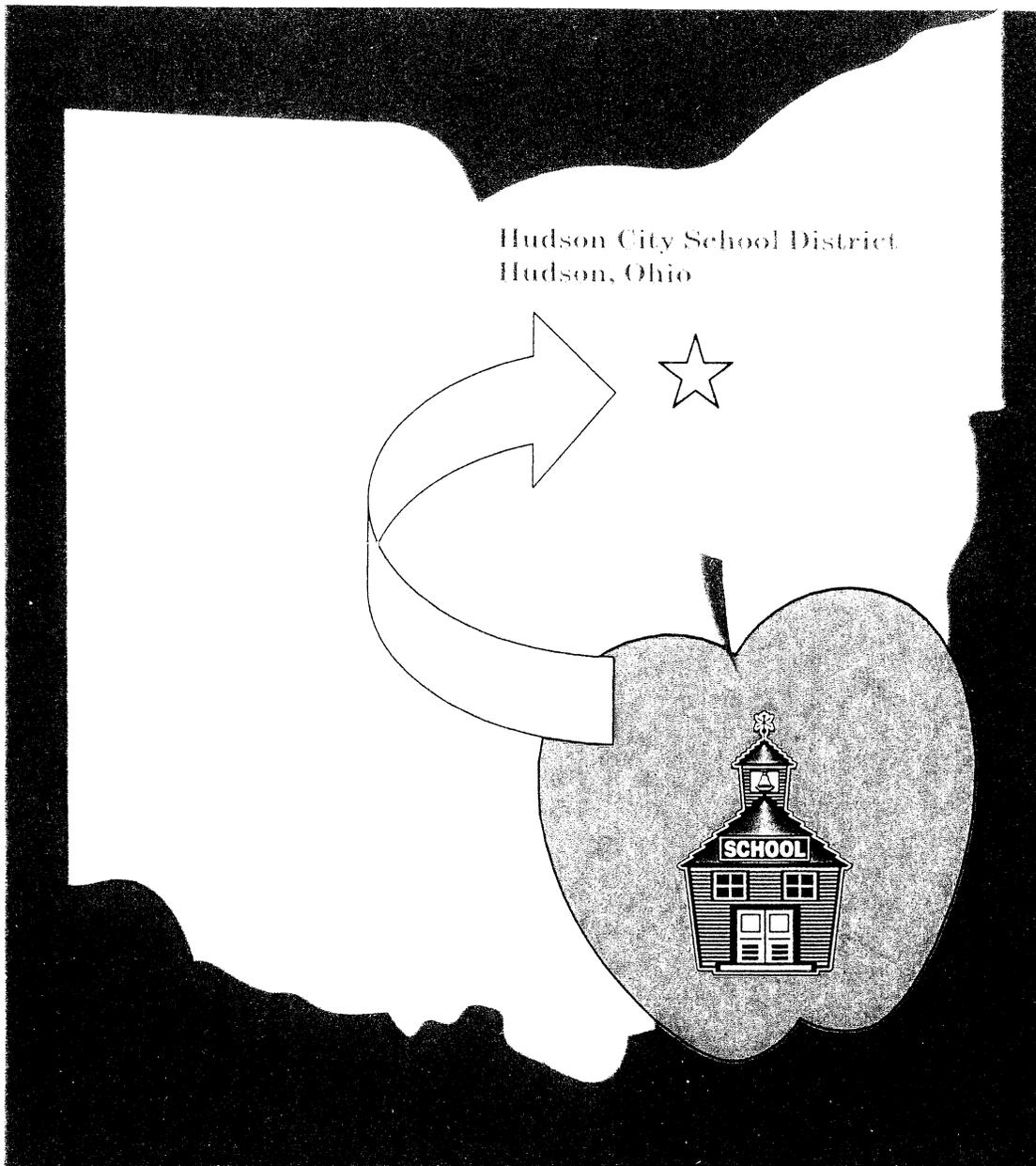
None.

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Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2000

Hudson City School District
2386 Hudson-Aurora Road
Hudson, Ohio



**Comprehensive
Annual Financial Report**
For the Fiscal Year Ended June 30, 2000

*The Hudson City School District
Hudson, Ohio*



*Board of Education
Philip Kaszar, President
Vicki Soukup, Vice President
Jane Dailey, Member
Bruce Hubach, Member
Lyn Wilhoite, Member*

*Prepared by the Office of the Treasurer
Craig Urmston, RSBFO, Treasurer*

*Hudson City School District
2386 Hudson-Aurora Road • Hudson, OH 44236*

HUDSON

CITY

SCHOOL

DISTRICT



Educational Mission Statement

Our community believes education is a dynamic process. Together students, parents, educators, and community share responsibility for producing graduates capable of succeeding and making positive contributions in a rapidly changing world. We expect educational excellence with strong academics through a research-based curriculum and extracurricular activities that will assist young people to solve problems and become productive citizens. We value the unique abilities of each child and offer varied opportunities for individual growth, character development, and success.

We will provide an outstanding educational program for all children which maximizes the intellectual, physical, and social development of each child in a safe, nurturing environment. Our students will engage in the learning process with a willingness to take risks and accept responsibilities. Students will develop a strong base of academic knowledge, skills, and strategies. They will be individuals of high integrity who value learning and enthusiastically embrace their responsibilities as citizens in our American democracy.

Our community accepts responsibility to continue to provide the opportunity for educational excellence for all students. We will actively prepare students for their future through support of our schools and educational programs.

HUDSON CITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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HUDSON CITY SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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HUDSON CITY SCHOOL DISTRICT
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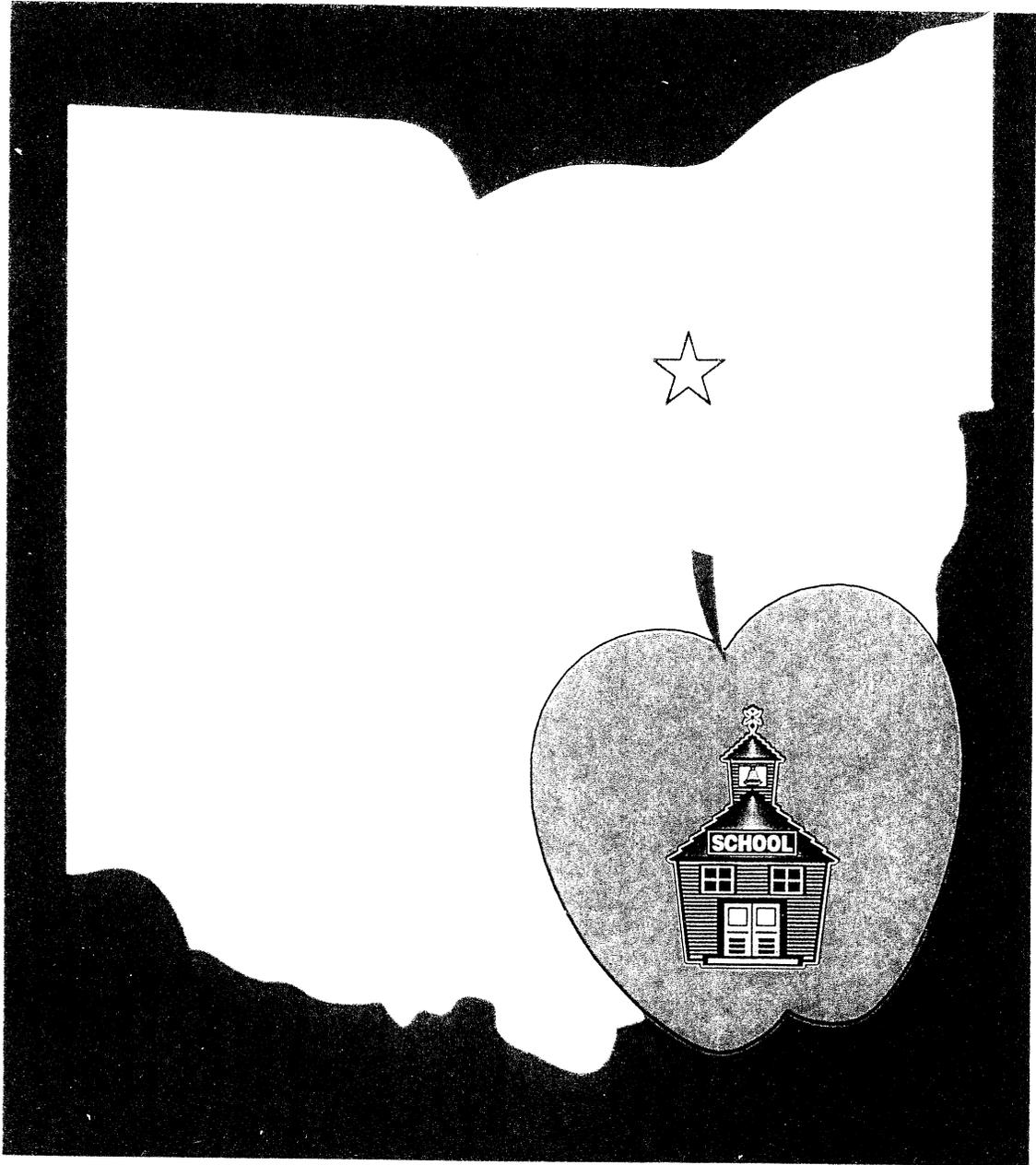
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HUDSON CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTION



**HUDSON CITY SCHOOL DISTRICT
TREASURER'S OFFICE**
2386 Hudson-Aurora Road
Hudson, OH 44236-2322

BOARD OF EDUCATION:

Philip J. Kaszar, President
Vicki S. Soukup, Vice-President
Jane M. Dailey
Bruce Hubach
Lyn R. Wilhoite

(Local) 330-653-1270
FAX: 330-656-2292

ADMINISTRATORS:

Craig Urmston, Treasurer

December 22, 2000

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 (School District) for the fiscal year ended June 30, 2000. This CAFR, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles 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 School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

This report is divided into the following sections:

- ◆ *Introductory Section* includes this transmittal letter, the School District's organizational chart and a list of principal officials.
- ◆ *Financial Section* begins with the Report of Independent Accountants and includes the general purpose financial statements, notes, and the combining individual fund and account group financial statements and schedules.
- ◆ *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.



Copies of this report will be widely distributed throughout the School District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, Hudson Public Library, Moody's and Standard and Poor's Financial Rating Services, banks, the School District's Business Advisory Council, and any other interested parties.

The School 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 School District has reviewed its reporting entity definition in order to insure conformance with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the School District, the primary government and its potential component units.

The School District has administrative responsibility for state funds distributed to private schools located within School 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 Academy for Young Children (TLC). While these organizations share operational and service similarity with the School 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 School District, nor are they fiscally dependent on the School District.

The School District changed its name from the Hudson Local School District to the Hudson City School District effective July 1, 1999, to reflect the changes which have occurred in the communities the School District serves.

The School District And Its Facilities

The School District serves an area of approximately 34 square miles in and around the City of Hudson. It is located in Summit County, approximately 28 miles southeast of downtown Cleveland and 14 miles north of Akron. The Hudson Local School District is a rapidly growing affluent suburban district. Nearly 100% of the City of Hudson and portions of three other municipalities and a township are located within the School District. They are: the City of Cuyahoga Falls, the City of Stow, 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 (11,966 Township and 5,159 Village). Estimated population of the City of Hudson is now 22,139. The School District population is considerably larger, estimated to exceed 27,000.

Because of the rapid growth of Hudson and the surrounding area, the School District's enrollment has been increasing since 1980. The School District had recorded more than 19 consecutive years of increasing



enrollment until this year when enrollment slowed. The School District's enrollment for fiscal year-end June 30, 2000 was 5,483 students.

The School District's facilities include four elementary schools, one middle school (grades six to eight), one high school (grades nine to twelve), a field house, a maintenance building, a bus garage, central offices residing in four houses and several athletic fields.

Economic Condition And Outlook

Ohio's seasonally adjusted unemployment rate was 4.2% in June 2000, and the nation's unemployment rate for June 2000 was 4.2%. Additionally, June 2000 employment in the Akron Primary Metropolitan Statistical Area was 359,800. Specific employment figures for the Hudson City School District are not available. (Labor Force Estimates, June 1999, Ohio Bureau of Employment Services).

Hudson is the headquarters for companies such as JoAnn Stores, Inc. (retail); Alltel Corporation (telecommunications); The Flood Company (coatings and sealants); and Dairy Mart (convenient stores). The city is also home to the division headquarters of Little Tikes (Newell Corp.); Caliber Logistics, Inc. (Federal Express); Allstate Insurance; and Morse Controls (IMO Industries).

According to the latest available income data, the 1998 median Federal income per tax return for Hudson City School District residents was \$58,191. That ranks our School District 2nd highest in the State of Ohio. The 1997 average Federal income per tax return for Hudson City School District residents was \$95,897. Our School District ranks 10th in the State in average Federal income per tax return.

The Hudson City School District receives 70% of its total revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. Total assessed valuation of the School District rose by 71% in the last ten years. The increased value in the tax duplicate is attributed to new construction (65%) and the balance (35%) to revisions in property values made by the County Auditor over the most recent ten-year period.

The School 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 School District. When the City of Hudson uses an inducement to attract a business, which is not a common practice, it is in participation with the School District in a cooperative agreement. The School District and the City of Hudson have agreed to a shared revenue arrangement where the School District is to be reimbursed for property taxes it would have otherwise collected. The School District will continue to work with the City of Hudson to attract desirable development to the community.

Organization Of The District

The Hudson City School 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 School 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.



INTRODUCTION

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 School District's tax dollars.

Principal Officials

BOARD MEMBERS

<u>Name</u>	<u>Began</u>	<u>Expires</u>	<u>Profession</u>
Philip J. Kaszar President	01-01-98	12-31-01	Managing Director & Principal Brown, Gibbons, Lang & Company
Vicki S. Soukup Vice President	01-01-96	12-31-03	Financial Consultant
Bruce Hubach	01-01-00	12-31-03	Sales Representative N. T. Ruddock Company
Jane M. Dailey	01-01-98	12-31-01	Homemaker
Lyn R. Wilhoite	01-01-98	12-31-01	Homemaker

ADMINISTRATION

<u>Name</u>	<u>Position</u>
Joseph P. Siegfert	Superintendent
Maryann Wolowiec	Assistant Superintendent
Rosalie Dennis	Director of Human Resources
Philip Wagner	Director of Special Services
Patricia Picard	Director of Curriculum
Daniel Seiberling	Director of Pupil Services
Paul Smith	Business Manager
Craig Urmston	Treasurer



Employee Relations

The School District currently has approximately 653 full-time and part-time employees. Two labor organizations representing School 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). During the first half of 2000, the Board successfully concluded negotiations with the HEA on a three-year agreement for wages and fringe benefits. Wage agreements reached for the three-year period September 1, 2000, through August 30, 2003, with the Hudson Education Association included raises of 4.0%, 3.5%, and 3.0% effective September 1 of each year. The wage agreement with Ohio Association of Public School Employees Local 372 included raises of 4.0%, 3.5%, and 3.5% effective July 1 of each year of the three-year contract which extends from July 1, 1998, through June 30, 2001.

Services Provided

The School District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The School District contracts out its transportation of students. During the 1999-00 fiscal year, the School District's fleet of 43 buses traveled 2,783 miles each day providing transportation services to 4,786 public and 207 private and parochial students. The Food Service Department served an average of 4,203 meals daily for a total of 748,176 meals annually through the School District's school lunchrooms.

In addition to transportation and school lunch support services offered to children in the School 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 13 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. The health services program is provided in collaboration with the Cleveland Clinic Foundation where a medical director oversees the School District program.

At the center of the School District's services are the instructional programs. The School District offers regular instructional programs daily to students in grades pre-kindergarten to twelve. The School District served 564 identified students who need specially designed programs. These students received services through the wide array of special education programs offered in the School District.

Finally, there are numerous academic and athletic programs for students, providing them with a number of enriching experiences. The School 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.



Major Initiatives And Events - Fiscal Year 2000

The implementation of the Strategic Plan has made a difference for the Hudson City School District's students, staff, parents, and community members. The amount of input gathered from the school community in policy decision-making reached new high levels this year. Working with school community members to design the facilities recommendation required using many methods of community engagement together in new ways. Interest and personal investment of many community members in this process has created a working group of committed community members willing to work on school issues locally and statewide.

The development of a facilities solution to the School District's overcrowding and programming needs was formulated during 1999-2000. The solution was a result of the work of the Facilities Steering Committee which was comprised of students, staff, parents, and community members. The information used to reach this recommendation came from staff focus groups, forty meetings held in community members' homes, and three Community Dialogues. Over four-hundred community members participated in the meetings and dialogues.

The implementation of the Facilities Action Plan portion of the Strategic Plan was the impetus behind the community engagement. The Strategic Plan's other action plans also made great headway during 1999-2000. The top priority of the Academic and Technology portion of the Strategic plan was professional development for enhancing student learning. Several examples of changes that are a result of this priority follow:

- the teacher negotiated agreement included days for professional development,
- the high school administrators and teachers developed a schedule for 2000-2001 that embeds weekly professional development, and
- the middle school schedule was reworked to allow for professional development during the school day.

Using professional development to focus on student work has been found, through research, as the best way to enhance student learning.

The number of onsite-for-credit course offerings has increased over the past year. The course offerings are directly linked to the Academics and Technology Action Plan. The topics include Leadership for the 21st Century, integrating technology in the classroom, and reading. Each year, as part of developing our comprehensive professional development plan, staff is surveyed on their needs, state and federal mandates are identified, and five-year curricular needs are identified along with School District and building-level needs. The list was long. A committee of teachers, building administrators and central office administrators prioritized the list and through a combination of release time, curricular writing projects, and graduate course offerings, most of the needs were addressed.

The Communications Action Plan, developed with staff and community, has been implemented over the last couple years. Several of the pieces generated, as a result of this plan, have been recognized and received awards from national organizations. The communications plan has brought the School District's message to the community in a way that has never been done before. All school community members are much more knowledgeable of school issues and events. The number of communication pieces to the community has increased over the past couple years with the newest piece being an accountability piece, that reports to the community our progress on the implementation of the Strategic Plan through the Strategic Plan Brochure.



Major Initiatives For The Future

The School District is implementing an elementary K-5 Developmental Reading Assessment. In addition, we are conducting a review of our assessment strategies and reporting practices for K-6. Our Math Course of Study Update K-6 is in the final stages and we are initiating Grades 7-12 Math Graded Course of Study Update.

Our Middle School Initiative is refining the master schedule to provide additional student-teacher contact time and teacher collaboration opportunities.

Hudson High School is implementing a modified-block master schedule, which has provided enhanced teacher-student quality instructional time, but has also provided an opportunity for the utilization of professional development through study groups.

A major initiative across all grade levels is a K-12 Writing Profile Assessment for our students.

Special Education is implementing a pilot program which addresses the transition from high school to world-of-work for special needs students.

Two major district-wide initiatives are the identification of gifted and talented students and the implementation of a Technology Academy, which trains teachers as coaches/mentors in the integration of technology throughout the curriculum.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations and the expendable trust fund 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 School District considers to be sixty days after year-end. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

In developing the School 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 School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.



INTRODUCTION

The School District utilizes a fully-automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures 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 the fiscal year. The permanent appropriation measure is adopted upon receipt from the County Auditor 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 Auditor 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 School 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 and account groups utilized by the School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

As demonstrated by the statements and schedules included in the financial section of this report, the School 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.

General Government Functions The following schedule represents a summary of revenues for the governmental funds which include general, special revenue, debt service, and capital projects funds for the fiscal year ended June 30, 2000, and comparisons to the last fiscal year.



<i>Revenue</i>	<i>1999</i>	<i>2000</i>	<i>Increase or (Decrease)</i>	<i>Percent Increase or (Decrease)</i>
<i>Property & Other Local Taxes</i>	\$28,663,799	\$31,080,258	\$2,416,459	8.4%
<i>Intergovernmental</i>	11,378,530	12,861,323	1,482,793	13.0
<i>Interest</i>	690,662	748,751	58,089	8.4
<i>Tuition & Fees</i>	118,614	126,301	7,687	6.5
<i>Extracurricular Activities</i>	386,820	441,139	54,319	14.0
<i>Food Service</i>	11,542	7,339	(4,203)	(36.4)
<i>Miscellaneous</i>	181,153	213,917	32,764	18.1
<i>Total Revenues</i>	<i>\$41,431,120</i>	<i>\$45,479,028</i>	<i>\$4,047,908</i>	<i>9.8%</i>

Local property tax revenue is the major funding component of the School District, making up about 68% of total governmental funds revenue. Approximately 89% of tax revenue is utilized for general fund operations, 8% for debt service fund activities, and 3% for capital projects.

Intergovernmental revenues include Homestead/Rollback reimbursements from the State of Ohio, State Foundation receipts, State and Federal grants, and other reimbursements from the State. The Homestead/Rollback Funds are based on local tax collection efforts. Residential property owners in the State of Ohio are given a 10 percent and 2.5 percent reduction in real property taxes. The State reimburses those funds to the School District. The State Foundation Funds are controlled by the State Legislature. These funds provide about 27% of the School District's General Fund Revenue.

State revenue estimates are not likely to change much from the above scenario. The Ohio Supreme Court has declared the Ohio School Funding system unconstitutional. Because of these actions and the economy, future State revenues are unpredictable.

Tuition and fees revenue include tuition charged for enrolled students residing out of the School District, student fines, and classroom fees.

Extracurricular Activities Revenues are comprised primarily of gate receipts and ticket sales from student events, fund raising activities and funds donated by the local student activity booster organizations. An increase in Extracurricular Activity Revenues occurred primarily due to additional fund-raising activities in the 1999-00 fiscal year.

The following schedule represents a summary of all governmental expenditures of General, Special Revenues, Debt Service, and Capital Projects Funds for the fiscal year ended June 30, 2000, and comparisons to last fiscal year.



<u>Expenditures</u>	1999	2000	Increase or (Decrease)	Percent Increase or (Decrease)
<u>Instruction:</u>				
Regular	\$19,390,124	\$20,553,603	\$1,163,479	6.0%
Special	2,437,311	2,798,760	361,449	14.8
Vocational	278,362	270,325	(8,037)	(2.9)
Other	323,714	469,249	145,535	45.0
	<u>\$22,429,511</u>	<u>\$24,091,937</u>	<u>\$1,662,426</u>	7.4%
<u>Support Services:</u>				
Pupils	2,642,527	2,753,292	110,765	4.2
Instructional Staff	2,236,290	2,489,161	252,871	11.3
Board of Education	47,648	51,617	3,969	8.3
Administration	2,874,938	3,157,888	282,950	9.8
Fiscal	924,269	939,195	14,926	1.6
Business	256,249	350,675	94,426	36.8
Operation and Maintenance of Plant	3,415,132	3,815,707	400,575	11.7
Pupil Transportation	2,446,861	2,298,955	(147,906)	(6.0)
Central	195,795	266,482	70,687	36.1
Operation of Non-Instructional Services	10,596	15,250	4,654	43.9
Extracurricular Activities	847,354	915,957	68,603	8.1
Capital Outlay	<u>1,361,209</u>	<u>738,001</u>	<u>(623,208)</u>	(45.8)
	<u>\$17,258,868</u>	<u>\$17,792,180</u>	<u>\$533,312</u>	3.1%
<u>Debt Service:</u>				
Principal Retirement	1,888,151	1,979,815	91,664	4.9
Interest and Fiscal Charges	<u>894,652</u>	<u>807,262</u>	<u>(87,390)</u>	(9.8)
TOTAL	\$42,471,182	\$44,671,194	\$2,200,012	5.2%

Instruction expenditures totaled \$24,091,937 and include the salaries and benefits of teachers, textbooks, classroom supplies, and classroom equipment. Contracted salaries, additions to staff, and inflationary factors contributed to the increase in fiscal 1999-00.

Support services expenditures totaled \$17,792,180 for fiscal year 1999-00. Significant increases in support services occurred in the areas of Pupils, Instructional Staff, Administration, Business, and Operations and Maintenance of Plant. Pupils increased due to additions to staff, contracted salaries, and inflation. Instructional Staff expenditures increased due to additions to staff, contracted salaries, inflation, and expanded professional development activities. Administration increased due to additional staffing and increased professional fees. Business increased due to higher consulting fees. Operation and Maintenance of Plant increased due to contracted salaries. Significant reductions in Support Services occurred in Pupil Transportation due to modification to the routing process and no major modifications to facilities resulted in lower Capital Outlay.



General Fund Balance The fund balance of the general fund increased 7.9% from \$3,969,036 at June 30, 1999, to \$4,284,194 at June 30, 2000. An increase in expenditures was more than offset by an increase in revenues.

Proprietary Fund Operations The School District operated several enterprise activities in fiscal year 2000 including the Food Service program, Uniform School Supplies operation, Rotary and Community Education and Recreation programs. It is the Board of Education's desire to operate these programs on a self supporting basis. Therefore, profit/loss measures must be maintained. These operations are classified and accounted for as enterprise funds. In total, enterprise funds had net income of \$206,058 in fiscal year 2000 increasing retained earnings from \$530,339 at June 30, 1999, to \$736,397 at June 30, 2000.

Internal Service Fund These operations consist of the Intradistrict Fund, Self Insurance Fund, and Computer Library. The internal service funds incurred a net income of \$281,942 in fiscal year 2000. Retained earnings for internal service increased from \$476,565 at June 30, 1999, to \$758,507 at June 30, 2000.

Fiduciary Operations The Special Trust, an expendable trust fund to support scholarships and curriculum improvements, generated \$24,020 in revenues during fiscal year 2000. The Enoch Clark non-expendable trust fund accounts for money set aside for public school purposes. The School District accounts for student activities and the six district educational compact in agency funds. Available assets are offset by liabilities.

General Fixed Assets The General Fixed Assets of the School District are used to carry on the main education and support functions of the School District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2000, were \$64,882,237. These assets are accounted for at historical cost. During fiscal year 1999, the School District had its fixed assets inventoried and appraised by an outside firm. The results of which are reflected in Note 8. Depreciation is not recognized on general fixed assets.

Debt Administration The Debt Service Fund accounts for the accumulation of resources for and payment of principal and interest on long-term debt reported in the School District's General Long-Term Obligations Account Group. For fiscal year 2000, principal retirement for loans and bonds amounted to \$1,979,815 and the fund balance reserved for debt service increased to \$1,157,728. At June 30, 2000, the School District had general obligation bonds outstanding of \$17,353,914. Under the Ohio Revised Code, total general obligation bonded debt is subject to a legal limitation on both total and unvoted debt. The limitation is based on 9 percent and 0.1 percent of the total assessed value of real and personal tangible property. The School District's net indebtedness of \$14,791,618 is below the legal limit of \$68,287,132 for total debt. The legal limit for unvoted debt is \$758,746. All bonds outstanding are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment.

Risk Management The School District continues to protect its assets through a comprehensive insurance program. The School District uses the State Workers' Compensation Plan and pays a premium based upon a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program. The School District contracts for general liability insurance with a \$2,000,000 limit per occurrence and \$5,000,000 in aggregate. The School District also carries automobile liability insurance with a limit of \$2,000,000 and a \$1,000 deductible.



The School District's health insurance committee continually reviews the School District's coverage provided under our self-insured system. For fiscal year 2000, favorable claims experience allowed the School District to keep premium cost to a modest increase. The School District retains self-insurance reserves which are in excess of actuarial minimums.

Cash Management The School District maintained its active cash management program, expediting the receipt of revenues and prudently investing available cash. Total interest earned during fiscal year 2000 was \$815,710. Of that total \$748,751 was credited to the General Fund. The balance was credited to other funds as directed by the Ohio Revised Code and Board of Education policy.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure reasonable returns while protecting principal.

The School District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Deposits were insured by federal depository insurance or collateralized direct obligations of the Federal Government. All collateral on deposits meets minimum requirements. Investments held by the School District during the year and at June 30, 2000, are classified in the categories of lowest to middle risk as defined by the Governmental Accounting Standards Board (see Note 5 in the Notes to the General Purpose Financial Statements for further explanation of risk categories). However, as required under Ohio law, pooled securities have been pledged in an amount equal to 105% of the total deposits, to secure the repayment of all public monies deposited in a financial institution.

Independent Audit

State statutes require an annual audit by independent accountants. The Ohio Auditor of State conducted the School District's 2000 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 general purpose 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 Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. This was the second year in a row that the government 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, whose contents conform to program standards. Such reports 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 School 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, 1999. The award represents a significant achievement by the Hudson City School District and reflects the School District's commitment to the highest standards of school system financial reporting. The School 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, 2000, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

Acknowledgments

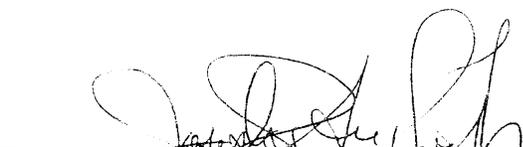
The continued publication of this report is an indication of the School District's commitment to be accountable to our investors, the residents of the Hudson City School District, and to our customers, the students.

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 Department. Additional appreciation is extended to Paul Smith, Business Manager, for working so diligently to maintain the District's Fixed Asset Records, and also to Scott Varney and Tom Czech of Gary B. Fink & Associates, Inc., for their expert guidance and assistance.

Respectfully submitted,

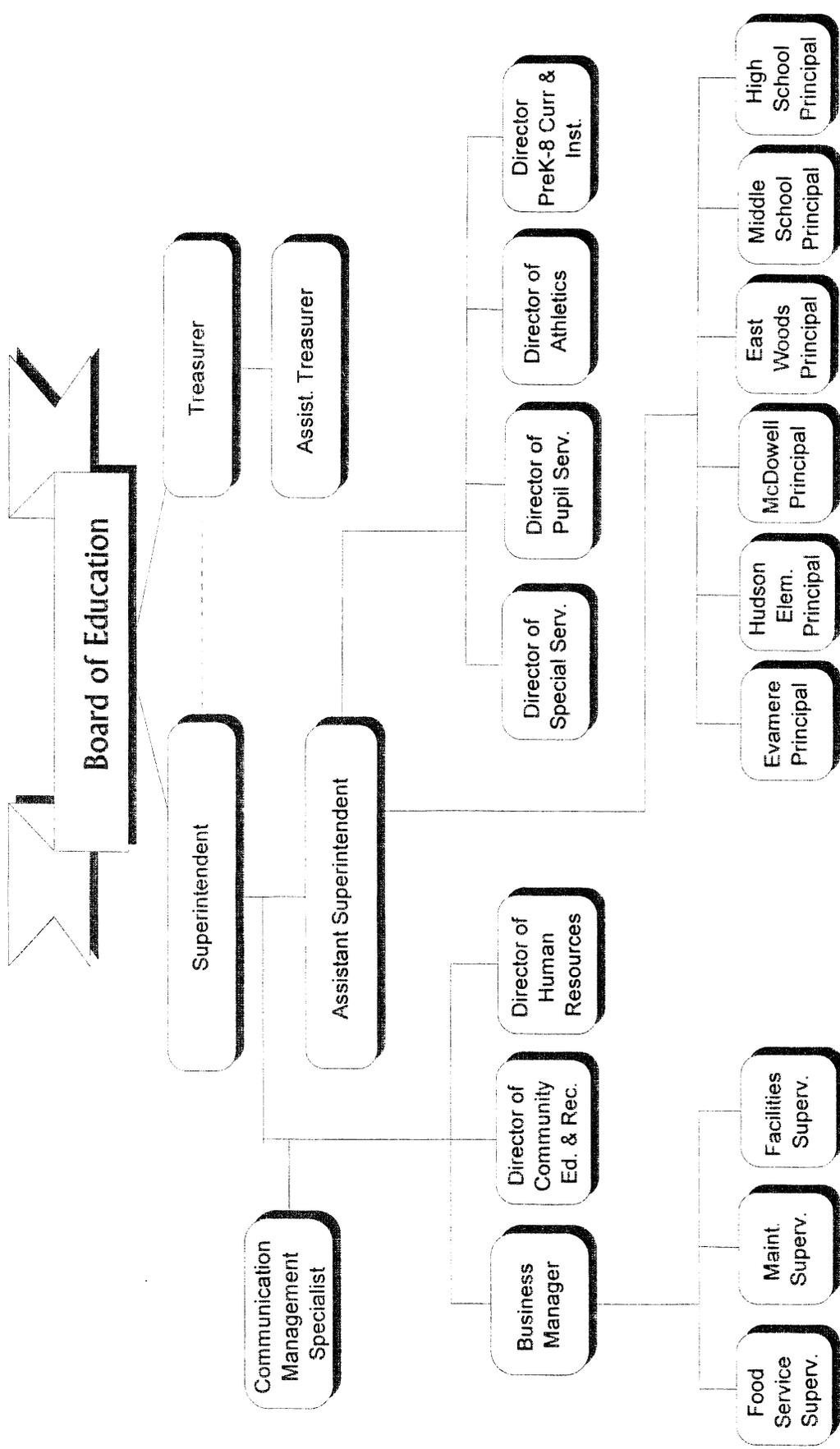


Craig Urmston, RSBFO
Treasurer



Joseph P. Sjogferth
Superintendent





Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hudson Local School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



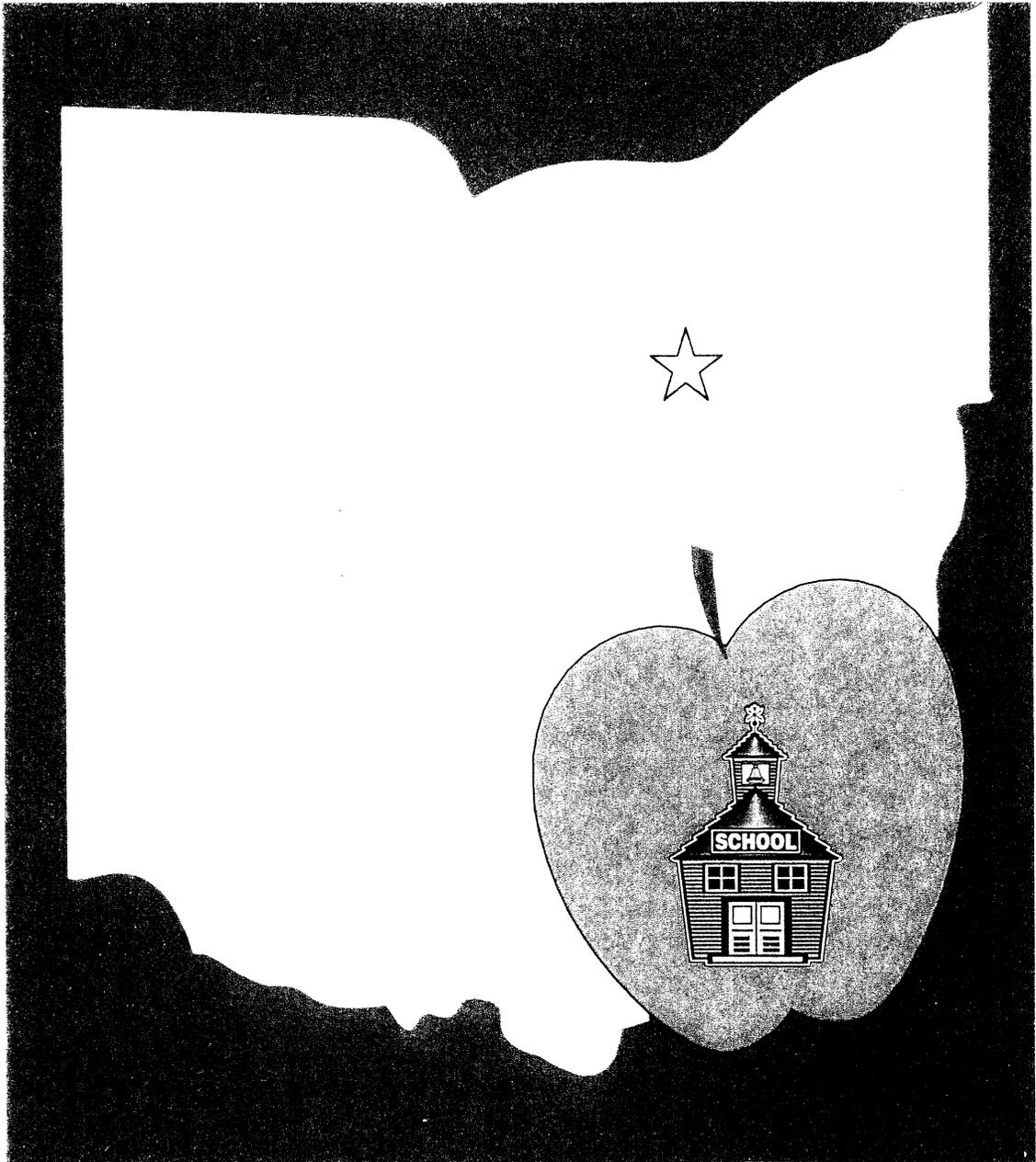
This Certificate of Excellence in Financial Reporting is presented to
HUDSON LOCAL SCHOOL DISTRICT
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1999

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Sam Deering
President

Don H. Hagan
Executive Director

FINANCIAL





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Hudson City School District, Summit County, (the District) as of and for the year ended June 30, 2000, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 22, 2000

General
Purpose
Financial
Statements



**Hudson City School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Investments	\$6,786,378	\$759,807	\$1,157,728	\$1,027,904
Cash and Cash Equivalents:				
Nonexpendable Trust Fund	0	0	0	0
Receivables:				
Taxes	29,045,241	0	2,492,217	814,840
Accounts	2,612	616	0	0
Intergovernmental	0	73,848	0	0
Accrued Interest	74,212	0	0	0
Interfund Receivable	214,930	0	0	0
Prepaid Items	13,484	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	7,450	0	0	0
Restricted Assets				
Equity in Pooled Cash	772,080	0	0	0
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)				0
	0	0	0	
<u>Other Debits:</u>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$36,916,387	\$834,271	\$3,649,945	\$1,842,744
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$237,413	\$97,501	\$0	\$12,368
Accrued Wages	3,063,641	110,346	0	0
Compensated Absences Payable	44,076	0	0	0
Interfund Payable	0	11,850	0	200,280
Intergovernmental Payable	674,258	12,530	0	0
Deferred Revenue	28,612,805	0	2,451,683	783,158
Due to Students	0	0	0	0
Undistributed Monies	0	0	0	0
Claims Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	32,632,193	232,227	2,451,683	995,806
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	940,079	149,761	0	388,615
Reserved for Inventory	7,450	0	0	0
Reserved for Prepaid Items	13,484	0	0	0
Reserved for Debt Service	0	0	1,157,728	0
Reserved for Property Tax Advance	432,436	0	40,534	31,682
Reserved for Endowments	0	0	0	0
Reserved for Budget Stabilization	772,080	0	0	0
Unreserved:				
Designated for Budget Stabilization	559	0	0	0
Undesignated	2,118,106	452,283	0	426,641
Total Fund Equity and Other Credits	4,284,194	602,044	1,198,262	846,938
Total Liabilities, Fund Equity and Other Credits	\$36,916,387	\$834,271	\$3,649,945	\$1,842,744

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$615,569	\$1,208,928	\$89,195	\$0	\$0	\$11,645,509
0	0	237	0	0	237
0	0	0	0	0	32,352,298
12,845	293	0	0	0	16,366
7,510	0	0	0	0	81,358
0	0	0	0	0	74,212
0	0	0	0	0	214,930
0	0	0	0	0	13,484
47,874	0	0	0	0	47,874
4,606	0	0	0	0	12,056
0	0	0	0	0	772,080
315,492	0	0	64,882,237	0	65,197,729
0	0	0	0	1,198,262	1,198,262
0	0	0	0	18,929,770	18,929,770
<u>\$1,003,896</u>	<u>\$1,209,221</u>	<u>\$89,432</u>	<u>\$64,882,237</u>	<u>\$20,128,032</u>	<u>\$130,556,165</u>
\$48,128	\$0	\$7,905	\$0	\$0	\$403,315
86,540	0	1,618	0	0	3,262,145
47,339	0	15,158	0	2,419,471	2,526,044
2,800	0	0	0	0	214,930
74,803	0	2,611	0	254,647	1,018,849
7,889	0	0	0	0	31,855,535
0	0	48,954	0	0	48,954
0	0	2,263	0	0	2,263
0	450,714	0	0	0	450,714
0	0	0	0	100,000	100,000
0	0	0	0	17,353,914	17,353,914
267,499	450,714	78,509	0	20,128,032	57,236,663
0	0	0	64,882,237	0	64,882,237
736,397	758,507	0	0	0	1,494,904
0	0	1,729	0	0	1,480,184
0	0	0	0	0	7,450
0	0	0	0	0	13,484
0	0	0	0	0	1,157,728
0	0	0	0	0	504,652
0	0	200	0	0	200
0	0	0	0	0	772,080
0	0	0	0	0	559
0	0	8,994	0	0	3,006,024
<u>736,397</u>	<u>758,507</u>	<u>10,923</u>	<u>64,882,237</u>	<u>0</u>	<u>73,319,502</u>
<u>\$1,003,896</u>	<u>\$1,209,221</u>	<u>\$89,432</u>	<u>\$64,882,237</u>	<u>\$20,128,032</u>	<u>\$130,556,165</u>

Hudson City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues</u>				
Taxes	\$27,735,966	\$0	\$2,496,972	\$847,320
Intergovernmental	10,932,739	1,623,141	160,803	144,640
Interest	748,751	0	0	0
Tuition and Fees	36,414	89,887	0	0
Extracurricular Activities	0	441,139	0	0
Gifts and Donations	0	0	0	0
Food Service	0	7,339	0	0
Miscellaneous	58,004	155,913	0	0
Total Revenues	39,511,874	2,317,419	2,657,775	991,960
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	19,521,730	1,009,574	0	22,299
Special	2,791,459	7,301	0	0
Vocational	245,733	15,987	0	277
Adult/Continuing	0	8,328	0	0
Other	469,249	0	0	0
Support Services:				
Pupils	2,147,214	606,078	0	0
Instructional Staff	2,303,815	185,346	0	0
Board of Education	51,617	0	0	0
Administration	3,047,810	110,078	0	0
Fiscal	891,279	0	34,008	13,908
Business	345,188	5,487	0	0
Operation and Maintenance of Plant	3,808,437	7,270	0	0
Pupil Transportation	2,298,955	0	0	0
Central	266,482	0	0	0
Operation of Non-Instructional Services	0	15,250	0	0
Extracurricular Activities	519,485	396,472	0	0
Capital Outlay	127,370	0	0	610,631
Debt Service:				
Principal Retirement	0	0	1,979,815	0
Interest and Fiscal Charges	0	0	807,262	0
Total Expenditures	38,835,823	2,367,171	2,821,085	647,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	676,051	(49,752)	(163,310)	344,845
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Fixed Assets	1,068	0	0	0
Operating Transfers In	285,000	95,366	263,313	0
Operating Transfers Out	(643,679)	0	0	0
Total Other Financing Sources (Uses)	(357,611)	95,366	263,313	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	318,440	45,614	100,003	344,845
Fund Balances at Beginning of Year	3,969,036	556,430	1,098,259	502,093
Residual Equity Transfer Out	(3,282)	0	0	0
Fund Balances at End of Year	\$4,284,194	\$602,044	\$1,198,262	\$846,938

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
\$0	\$31,080,258
0	12,861,323
0	748,751
0	126,301
0	441,139
24,020	24,020
0	7,339
0	213,917
<u>24,020</u>	<u>45,503,048</u>
1,386	20,554,989
0	2,798,760
0	261,997
0	8,328
0	469,249
0	2,753,292
2,005	2,491,166
0	51,617
0	3,157,888
0	939,195
0	350,675
465	3,816,172
0	2,298,955
0	266,482
24,600	39,850
0	915,957
0	738,001
0	1,979,815
0	807,262
<u>28,456</u>	<u>44,699,650</u>
<u>(4,436)</u>	<u>803,398</u>
0	1,068
0	643,679
0	(643,679)
0	1,068
(4,436)	804,466
15,122	6,140,940
0	(3,282)
<u>\$10,686</u>	<u>\$6,942,124</u>

Hudson City School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues</u>			
Taxes	\$27,859,405	\$27,859,405	\$0
Intergovernmental	10,932,739	10,932,739	0
Interest	724,738	724,738	0
Tuition and Fees	36,414	36,414	0
Extracurricular Activities	0	0	0
Food Service	0	0	0
Miscellaneous	57,290	57,290	0
Total Revenues	39,610,586	39,610,586	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	19,507,596	19,486,088	21,508
Special	2,763,376	2,758,628	4,748
Vocational	245,006	239,096	5,910
Adult/Continuing	0	0	0
Other	665,054	663,511	1,543
Support Services:			
Pupils	2,560,446	2,376,080	184,366
Instructional Staff	2,367,570	2,300,171	67,399
Board of Education	81,761	60,009	21,752
Administration	3,092,619	3,082,893	9,726
Fiscal	999,971	905,007	94,964
Business	378,332	359,369	18,963
Operation and Maintenance of Plant	4,053,996	4,037,576	16,420
Pupil Transportation	2,493,361	2,619,297	(125,936)
Central	301,361	298,993	2,368
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	533,250	496,471	36,779
Capital Outlay	186,246	186,246	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	40,229,945	39,869,435	360,510
(Deficiency) of Revenues (Under) Expenditures	(619,359)	(258,849)	360,510
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	4,721	4,721	0
Refund of Prior Year Expenditures	4,716	4,716	0
Refund of Prior Year Receipts	(100)	(97)	3
Advances In	95,762	95,762	0
Advances Out	(215,000)	(214,930)	70
Operating Transfers In	285,000	285,000	0
Operating Transfers Out	(715,000)	(646,961)	68,039
Total Other Financing Sources (Uses)	(539,901)	(471,789)	68,112
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,159,260)	(730,638)	428,622
Fund Balances at Beginning of Year	5,830,734	5,830,734	0
Prior Year Encumbrances Appropriated	1,168,971	1,168,971	0
Fund Balances at End of Year	\$5,840,445	\$6,269,067	\$428,622

See accompanying notes to the general purpose financial statements.

Governmental Fund Types					
Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,505,664	\$2,505,664	\$0
1,596,089	1,596,089	0	160,803	160,803	0
0	0	0	0	0	0
89,887	89,887	0	0	0	0
441,139	441,139	0	0	0	0
7,339	7,339	0	0	0	0
155,491	155,491	0	0	0	0
<u>2,289,945</u>	<u>2,289,945</u>	<u>0</u>	<u>2,666,467</u>	<u>2,666,467</u>	<u>0</u>
1,126,213	1,095,808	30,405	0	0	0
6,612	6,482	130	0	0	0
10,283	7,280	3,003	0	0	0
8,842	8,341	501	0	0	0
0	0	0	0	0	0
759,163	644,802	114,361	0	0	0
275,489	200,528	74,961	0	0	0
0	0	0	0	0	0
132,847	112,858	19,989	0	0	0
0	0	0	34,009	34,008	1
5,487	5,487	0	0	0	0
24,996	24,996	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
26,463	18,462	8,001	0	0	0
536,486	423,629	112,857	0	0	0
0	0	0	0	0	0
0	0	0	1,979,815	1,979,815	0
0	0	0	807,265	807,262	3
<u>2,912,881</u>	<u>2,548,673</u>	<u>364,208</u>	<u>2,821,089</u>	<u>2,821,085</u>	<u>4</u>
<u>(622,936)</u>	<u>(258,728)</u>	<u>364,208</u>	<u>(154,622)</u>	<u>(154,618)</u>	<u>4</u>
0	0	0	0	0	0
157	729	572	0	0	0
(39,238)	(39,238)	0	0	0	0
11,850	11,850	0	0	0	0
(3,865)	(3,865)	0	0	0	0
154,689	154,689	0	263,313	263,313	0
<u>(59,323)</u>	<u>(59,323)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>64,270</u>	<u>64,842</u>	<u>572</u>	<u>263,313</u>	<u>263,313</u>	<u>0</u>
(558,666)	(193,886)	364,780	108,691	108,695	4
443,966	443,966	0	1,049,033	1,049,033	0
<u>265,417</u>	<u>265,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$150,717</u>	<u>\$515,497</u>	<u>\$364,780</u>	<u>\$1,157,724</u>	<u>\$1,157,728</u>	<u>\$4</u>

(continued)

Hudson City School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis) (Continued)
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$836,133	\$836,133	\$0
Intergovernmental	144,640	144,640	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Food Service	0	0	0
Miscellaneous	0	0	0
Total Revenues	980,773	980,773	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	38,289	22,880	15,409
Special	0	0	0
Vocational	277	277	0
Adult/Continuing	0	0	0
Other	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	27,000	13,908	13,092
Business	0	0	0
Operation and Maintenance of Plant	28,728	0	28,728
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	1,539,063	998,630	540,433
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	1,633,357	1,035,695	597,662
(Deficiency) of Revenues (Under) Expenditures	(652,584)	(54,922)	597,662
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Fixed Assets	0	0	0
Refund of Prior Year Expenditures	0	0	0
Refund of Prior Year Receipts	(100)	(100)	0
Advances In	200,000	200,280	280
Advances Out	(90,000)	(90,000)	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Total Other Financing Sources (Uses)	109,900	110,180	280
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(542,684)	55,258	597,942
Fund Balances at Beginning of Year	400,618	400,618	0
Prior Year Encumbrances Appropriated	171,513	171,513	0
Fund Balances at End of Year	\$29,447	\$627,389	\$597,942

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			Totals		
Expendable Trust Fund			(Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$31,201,202	\$31,201,202	\$0
0	0	0	12,834,271	12,834,271	0
0	0	0	724,738	724,738	0
0	0	0	126,301	126,301	0
0	0	0	441,139	441,139	0
0	0	0	7,339	7,339	0
24,020	24,020	0	236,801	236,801	0
24,020	24,020	0	45,571,791	45,571,791	0
1,935	1,386	549	20,674,033	20,606,162	67,871
0	0	0	2,769,988	2,765,110	4,878
0	0	0	255,566	246,653	8,913
0	0	0	8,842	8,341	501
0	0	0	665,054	663,511	1,543
0	0	0	3,319,609	3,020,882	298,727
3,575	2,005	1,570	2,646,634	2,502,704	143,930
0	0	0	81,761	60,009	21,752
0	0	0	3,225,466	3,195,751	29,715
0	0	0	1,060,980	952,923	108,057
0	0	0	383,819	364,856	18,963
3,736	2,194	1,542	4,111,456	4,064,766	46,690
0	0	0	2,493,361	2,619,297	(125,936)
0	0	0	301,361	298,993	2,368
28,361	24,600	3,761	54,824	43,062	11,762
0	0	0	1,069,736	920,100	149,636
0	0	0	1,725,309	1,184,876	540,433
0	0	0	1,979,815	1,979,815	0
0	0	0	807,265	807,262	3
37,607	30,185	7,422	47,634,879	46,305,073	1,329,806
(13,587)	(6,165)	7,422	(2,063,088)	(733,282)	1,329,806
0	0	0	4,721	4,721	0
0	0	0	4,873	5,445	572
0	0	0	(39,438)	(39,435)	3
0	0	0	307,612	307,892	280
0	0	0	(308,865)	(308,795)	70
0	0	0	703,002	703,002	0
0	0	0	(774,323)	(706,284)	68,039
0	0	0	(102,418)	(33,454)	68,964
(13,587)	(6,165)	7,422	(2,165,506)	(766,736)	1,398,770
14,775	14,775	0	7,739,126	7,739,126	0
347	347	0	1,606,248	1,606,248	0
<u>\$1,535</u>	<u>\$8,957</u>	<u>\$7,422</u>	<u>\$7,179,868</u>	<u>\$8,578,638</u>	<u>\$1,398,770</u>

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**Hudson City School District
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings/Fund Balances
 All Proprietary Fund Types and Nonexpendable Trust Fund
 For the Fiscal Year Ended June 30, 2000**

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
<u>Operating Revenues</u>				
Tuition	\$47,891	\$0	\$0	\$47,891
Sales	153,694	0	0	153,694
Charges for Services	1,302,195	3,324,443	0	4,626,638
Other Operating Revenues	667,895	0	0	667,895
Total Operating Revenues	2,171,675	3,324,443	0	5,496,118
<u>Operating Expenses</u>				
Salaries	635,312	34,388	0	669,700
Fringe Benefits	205,130	2,566	0	207,696
Purchased Services	291,485	360,618	0	652,103
Materials and Supplies	283,214	0	0	283,214
Cost of Sales	643,270	0	0	643,270
Depreciation	23,250	0	0	23,250
Claims	0	2,697,919	0	2,697,919
Other Operating Expenses	645	0	0	645
Total Operating Expenses	2,082,306	3,095,491	0	5,177,797
Operating Income	89,369	228,952	0	318,321
<u>Non-Operating Revenues</u>				
Federal Donated Commodities	43,044	0	0	43,044
Operating Grants	59,679	0	0	59,679
Interest	13,966	52,990	3	66,959
Total Non-Operating Revenues	116,689	52,990	3	169,682
Net Income	206,058	281,942	3	488,003
Retained Earnings/Fund Balance at Beginning of Year (Restated, See Note 3)	530,339	476,565	234	1,007,138
Retained Earnings/Fund Balance at End of Year	<u>\$736,397</u>	<u>\$758,507</u>	<u>\$237</u>	<u>\$1,495,141</u>

See accompanying notes to the general purpose financial statements.

**Hudson City School District
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Nonexpendable Trust Fund
 For the Fiscal Year Ended June 30, 2000**

	Proprietary		
	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues</u>			
Tuition	\$35,441	\$35,441	\$0
Sales	153,694	153,694	0
Charges for Services	1,302,195	1,302,195	0
Interest	13,966	13,966	0
Other Revenues	668,045	668,045	0
Operating Grants	60,008	60,008	0
Refund of Prior Year Expense	0	0	0
Total Revenues	<u>2,233,349</u>	<u>2,233,349</u>	<u>0</u>
<u>Expenses</u>			
Salaries	712,677	676,176	36,501
Fringe Benefits	198,114	197,315	799
Purchased Services	392,737	374,350	18,387
Materials and Supplies	1,189,493	986,151	203,342
Capital Outlay	106,853	91,060	15,793
Other	3,885	645	3,240
Refund of Prior Year Revenue	9,154	7,354	1,800
Total Expenses	<u>2,612,913</u>	<u>2,333,051</u>	<u>279,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Advances	(379,564)	(99,702)	279,862
Advances In	2,800	2,800	0
Advances Out	(1,897)	(1,897)	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(378,661)	(98,799)	279,862
Fund Equity at Beginning of Year (Restated, See Note 3)	320,084	320,084	0
Prior Year Encumbrances Appropriated	<u>202,630</u>	<u>202,630</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$144,053</u></u>	<u><u>\$423,915</u></u>	<u><u>\$279,862</u></u>

See accompanying notes to the general purpose financial statements.

Fund Type			Fiduciary Fund Type		
Internal Service Funds			Nonexpendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
52,990	52,990	0	0	3	3
3,303,583	3,303,583	0	0	0	0
0	0	0	0	0	0
20,870	20,870	0	0	0	0
<u>3,377,443</u>	<u>3,377,443</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>3</u>
34,388	34,388	0	0	0	0
8,560	4,220	4,340	0	0	0
750,200	360,618	389,582	0	0	0
350	335	15	233	0	233
0	0	0	0	0	0
2,720,347	2,719,174	1,173	0	0	0
10,640	10,635	5	0	0	0
<u>3,524,485</u>	<u>3,129,370</u>	<u>395,115</u>	<u>233</u>	<u>0</u>	<u>233</u>
(147,042)	248,073	395,115	(233)	3	236
0	0	0	0	0	0
0	0	0	0	0	0
(147,042)	248,073	395,115	(233)	3	236
956,620	956,620	0	234	234	0
2,300	2,300	0	0	0	0
<u>\$811,878</u>	<u>\$1,206,993</u>	<u>\$395,115</u>	<u>\$1</u>	<u>\$237</u>	<u>\$236</u>

(continued)

**Hudson City School District
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis) (Continued)
 All Proprietary Fund Types and Nonexpendable Trust Fund
 For the Fiscal Year Ended June 30, 2000**

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$35,441	\$35,441	\$0
Sales	153,694	153,694	0
Charges for Services	1,302,195	1,302,195	0
Interest	66,956	66,959	3
Other Revenues	3,971,628	3,971,628	0
Operating Grants	60,008	60,008	0
Refund of Prior Year Expense	20,870	20,870	0
Total Revenues	<u>5,610,792</u>	<u>5,610,795</u>	<u>3</u>
<u>Expenses</u>			
Salaries	747,065	710,564	36,501
Fringe Benefits	206,674	201,535	5,139
Purchased Services	1,142,937	734,968	407,969
Materials and Supplies	1,190,076	986,486	203,590
Capital Outlay	106,853	91,060	15,793
Other	2,724,232	2,719,819	4,413
Refund of Prior Year Revenue	19,794	17,989	1,805
Total Expenses	<u>6,137,631</u>	<u>5,462,421</u>	<u>675,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Advances	(526,839)	148,374	675,213
Advances In	2,800	2,800	0
Advances Out	(1,897)	(1,897)	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(525,936)	149,277	675,213
Fund Equity at Beginning of Year (Restated, See Note 3)	1,276,938	1,276,938	0
Prior Year Encumbrances Appropriated	204,930	204,930	0
Fund Equity at End of Year	<u>\$955,932</u>	<u>\$1,631,145</u>	<u>\$675,213</u>

See accompanying notes to the general purpose financial statements.

Hudson City School District
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary	Totals (Memorandum Only)
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,455,889	\$3,324,453	\$0	\$4,780,342
Cash Received from Tuition Payments	35,441	0	0	35,441
Cash Payments to Suppliers for Goods and Services	(1,188,649)	(360,618)	0	(1,549,267)
Cash Payments to Employees for Services	(675,729)	(34,388)	0	(710,117)
Cash Payments for Employee Benefits	(197,315)	(2,620)	0	(199,935)
Cash Payments for Claims	0	(2,729,809)	0	(2,729,809)
Cash Received from Other Operating Revenues	668,045	0	0	668,045
Cash Received from Other Operating Expenses	(645)	0	0	(645)
Net Cash Provided by Operating Activities	97,037	197,018	0	294,055
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	60,008	0	0	60,008
Short-Term Loans from Other Funds	2,800	0	0	2,800
Repayment of Short-Term Loans From Other Funds	(1,897)	0	0	(1,897)
Net Cash Provided by Noncapital Financing Activities	60,911	0	0	60,911
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Capital Assets	(79,059)	0	0	(79,059)
Net Cash (Used for) Capital and Related Financing Activities	(79,059)	0	0	(79,059)
<u>Cash Flows from Investing Activities:</u>				
Interest on Investments	13,966	52,990	3	66,959
Net Cash Provided by Investing Activities	13,966	52,990	3	66,959
Net Increase in Cash and Cash Equivalents	92,855	250,008	3	342,866
Cash and Cash Equivalents at Beginning of Year	522,714	958,920	234	1,481,868
Cash and Cash Equivalents at End of Year	\$615,569	\$1,208,928	\$237	\$1,824,734
Reconciliation of Operating Income to Net <u>Cash Provided by Operating Activities:</u>				
Operating Income	\$89,369	\$228,952	\$3	\$318,324
Adjustments to Reconcile Operating Income to <u>Net Cash Provided by Operating Activities:</u>				
Depreciation	23,250	0	0	23,250
Interest on Investments	0	0	(3)	(3)
Donated Commodities Used During Year	43,044	0	0	43,044
Changes in Assets and Liabilities:				
(Increase)/Decrease in Accounts Receivable	(12,300)	7,701	0	(4,599)
(Increase)/Decrease in Inventory Held for Resale	4,473	0	0	4,473
(Increase)/Decrease in Materials and Supplies Inventory	1,205	0	0	1,205
Increase/(Decrease) in Accounts Payable	(19,402)	0	0	(19,402)
Increase/(Decrease) in Accrued Wages	(35,311)	0	0	(35,311)
Increase/(Decrease) in Compensated Absences Payable	(4,908)	0	0	(4,908)
Increase/(Decrease) in Intergovernmental Payable	7,617	(54)	0	7,563
Increase/(Decrease) in Claims Payable	0	(39,581)	0	(39,581)
Total Adjustments	7,668	(31,934)	(3)	(24,269)
Net Cash Provided by Operating Activities	\$97,037	\$197,018	\$0	\$294,055

See accompanying notes to the general purpose financial statements.

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HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 - DESCRIPTION OF THE ENTITY

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 staffed by 214 noncertificated employees, 393 certificated full-time teaching personnel and 31 administrators who provide services to 5,483 students and other community members.

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 has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", under which the financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. Management has determined the District has no component units.

On this basis, the combined general purpose financial statements include all of the funds and account groups of the District over which the Board of Education exercises operating control.

The District is associated with the Six District Educational Compact which is defined as a jointly governed organization. Jointly governed organizations are governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding this organization is presented in Note 18.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION - FUND ACCOUNTING

The District uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the District.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in proprietary and fiduciary funds, are accounted for through governmental funds. The measurement focus is upon determination of financial position and changes in financial position. The following are the District's governmental fund types:

General Fund

The general fund is the operating fund of the District and is used to account for all financial resources except those required by law or contract to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be expended for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The District applies all applicable pronouncements from the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 to its proprietary operations. The following are the District's proprietary fund types:

Enterprise Funds

Enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the District 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 District 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.

Internal Service Fund

This 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.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The following are the District's fiduciary funds:

Expendable Trust Fund

This fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust fund accounts for assets where both the principal and interest may be spent.

Nonexpendable Trust Fund

This fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The nonexpendable trust fund accounts for assets of which the principal may not be spent.

Agency Funds

These funds are purely custodial in nature and thus do not involve measurement of results of operations.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNT GROUPS

To make a clear distinction between fixed assets related to specific funds and those of general government, and long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary funds.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types and agency funds. Under this basis of accounting, the District recognizes revenues in the accounting period when they become both measurable and available. "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 year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements, and student fees.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue. In the proprietary fund types, unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on general long-term debt which is reported only when due, and the costs of accumulated unpaid vacation and sick leave which are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

BUDGETARY PROCESS

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 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 Appropriation 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 primary level of budgetary control is at the fund level. Budgetary modifications may only be made by resolution of the Board of Education.

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 express purpose of this budget document is to reflect the need for existing (or increased) tax rates. No later than January 20, the Board-adopted budget is filed with the Summit County Budget Commission for rate determination.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Resources

Prior to 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 June 30, 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 a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered 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 in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 2000.

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. 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. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations which either reallocate or increase the original appropriated amounts. During the year, supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

CASH AND INVESTMENTS

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each funds' interest in the pool is presented as "Equity in Pooled Cash and Investments" on the Combined Balance Sheet.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 totaled \$748,751, which includes \$259,668 in interest revenues attributable to cash balances of funds other than the general fund but assigned to interest revenue of the general fund.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of 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 not considered to be cash equivalents.

Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVENTORY

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated and purchased food, and they are expensed when used. Unused donated commodities are reported as deferred revenue.

FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In proprietary funds, improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years.

INTERGOVERNMENTAL REVENUES

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as non-operating revenues when measurable and earned. The District currently participates in various State and Federal programs, as follows:

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and Entitlements

Entitlements

General Fund

State Foundation Program

School Bus Allocation

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B

Title VI

Drug Free Schools

Eisenhower Math/Science

Federal Challenge

Vocational Education

Preschool VI-B

Reimbursable Grants

General Fund

Driver's Education

Proprietary Funds

National School Lunch Program

Government Donated Commodities

SHORT-TERM INTERFUND ASSETS/LIABILITIES

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Interfund Receivable/Payable".

COMPENSATED ABSENCES

The District reports compensated absences and salary related payments in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". 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.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 when the following criterion is met: the benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the District's past experience of making termination payments for sick leave.

For governmental funds, that portion of the liability which is non-current is reported in the general long-term obligations account group. Liabilities that use current expendable resources are recorded in the fund from which the employees are paid. In proprietary funds, compensated absences are expensed when earned and the entire amount is reported as a fund liability.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will be paid with current available expendable financial resources. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

FUND BALANCE RESERVES

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, budget stabilization, prepaid items, endowments, property tax advance and debt service.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ESTIMATES

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

TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose Financial Statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 – RESTATEMENT OF PRIOR YEAR RETAINED EARNINGS

Beginning retained earnings of the Internal Service funds have been restated to reflect the reclassification of the six district educational compact fund from an Internal Service fund type to an Agency fund. The restatement has been done on both the GAAP basis and budgetary basis.

	Internal Service Funds	
	<u>GAAP Basis</u>	<u>Budgetary Basis</u>
Retained Earnings at June 30, 1999	\$513,028	\$1,009,381
Reclassification of Six District Educational Compact Fund	<u>(36,463)</u>	<u>(52,761)</u>
Restated Retained Earnings at July 1, 1999	<u>\$476,565</u>	<u>\$956,620</u>

Because agency funds are purely custodial and do not involve measurement of results of operations, a restatement is not necessary.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - All Proprietary Fund Types and Nonexpendable Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as a note disclosure in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types and Expendable Trust Fund				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$315,158	\$45,614	\$100,003	\$344,845	\$(4,436)
Net Adjustments for					
Revenue Accruals	202,843	44,428	8,692	189,093	0
Net Adjustments for					
Expenditure Accruals	39,156	(39,792)	0	(78,166)	0
Encumbrances	<u>(1,287,795)</u>	<u>(244,136)</u>	<u>0</u>	<u>(400,514)</u>	<u>(1,729)</u>
Budget Basis	<u>\$(730,638)</u>	<u>\$(193,886)</u>	<u>\$108,695</u>	<u>\$55,258</u>	<u>\$(6,165)</u>

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

	Net Income/Excess (Deficiency) of Revenues Over/(Under) Expenses All Proprietary Fund Types and Nonexpendable Trust Fund		
	<u>Enterprise</u>	<u>Internal Service</u>	Nonexpendable <u>Trust</u>
GAAP Basis	\$206,058	\$281,942	\$3
Net Adjustments for Revenue Accruals	(52,215)	10	0
Net Adjustments for Expense Accruals	(60,988)	(32,086)	0
Encumbrances	<u>(191,654)</u>	<u>(1,793)</u>	<u>0</u>
Budget Basis	<u>\$(98,799)</u>	<u>\$248,073</u>	<u>\$3</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of 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 two 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 may 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 moneys are permitted to be 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 or 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;

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

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 division (1) or (2) of this section 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 Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$(83,646) and the bank balance was \$155,085. The entire bank balance was covered by federal depository insurance.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

Investments

The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the District at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name. Investments in STAR Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

<u>Category</u>	<u>Carrying Amount</u>			<u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Overnight Repurchase Agreements	\$0	\$0	\$4,958,136	\$4,958,136
FHLB Bonds	0	2,974,270	0	2,974,270
FTN SQ Commercial Paper	0	1,998,194	0	1,998,194
FHLMC Discount Note	0	996,700	0	996,700
FNMA Discount Note	<u>0</u>	<u>497,805</u>	<u>0</u>	<u>497,805</u>
	<u>\$0</u>	<u>\$6,466,969</u>	<u>\$4,958,136</u>	11,425,105
STAR Ohio				<u>1,076,367</u>
Total Investments				<u>\$12,501,472</u>

The net increase in the fair value of applicable investments during fiscal year 2000 per GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" is as follows:

Fair value at June 30, 2000	\$6,466,969
Proceeds of investments sold in fiscal year 2000	3,000,000
Cost of investments purchased in fiscal year 2000	(4,489,913)
Fair value at June 30, 1999	<u>(4,926,374)</u>
Change in fair value of investments during fiscal year 2000	<u>\$50,682</u>

The classification of cash and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trusts Funds and Governmental Entities That Use Proprietary Fund Accounting". A reconciliation between the classifications of cash and investments on the combined statements and the classification per GASB Statement No. 3 is as follows:

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$12,417,826	\$0
Investments:		
Repurchase Agreements	(4,958,136)	4,958,136
Federal Securities	(4,468,775)	4,468,775
STAR Ohio	(1,076,367)	1,076,367
Commercial Paper	<u>(1,998,194)</u>	<u>1,998,194</u>
GASB Statement No. 3	<u><u>\$(83,646)</u></u>	<u><u>\$12,501,472</u></u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the Districts' fiscal year runs from July through June. Real property tax collections by the County are remitted to the District a year after they are assessed by the County. Property taxes include amounts levied against all real, public utility and tangible personal property used in business located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1, and are collected with real property taxes. Assessed values for real property are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 100% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the previous year. Tangible personal property assessments are 25% of true value.

The assessed values upon which the fiscal year 2000 taxes were collected are:

	<u>First Half</u> <u>Collections</u>		<u>Second Half</u> <u>Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Property:				
Commercial/Industrial	\$83,054,890	11.48%	\$88,783,150	11.70%
Residential/Agriculture	565,688,580	78.20	595,912,690	78.53
Public Utilities	50,910	0.01	50,910	0.01
Tangible Personal Property:				
Public Utilities	21,325,230	2.95	20,796,730	2.75
General	<u>54,397,655</u>	<u>7.36</u>	<u>53,202,433</u>	<u>7.01</u>
Total	<u><u>\$724,517,265</u></u>	<u><u>100.00%</u></u>	<u><u>\$758,745,913</u></u>	<u><u>100.00%</u></u>

Tax rate per \$1,000 of Assessed Valuation	\$76.13	\$76.13
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HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 6 - PROPERTY TAXES (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Summit County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically advances to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 2000, is available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 and reflected in 2000 revenue was \$504,652. \$432,436 was available to the General Fund, \$31,682 was available to the Permanent Improvement Fund and \$40,534 was available to the Debt Service Fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts, intergovernmental entitlements and grants. 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. A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
Special Revenue Funds	
Other State Grants – Teacher Training and Development	\$20,000
Title VI-B	53,668
Vocational Education	<u>180</u>
Total Special Revenue Funds	73,848
Enterprise Funds	
State and Federal School Breakfast and Lunch Subsidies	<u>7,510</u>
Total Intergovernmental Receivables	<u>\$81,358</u>

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2000 follows:

Furniture and Equipment	<u>Enterprise</u>
	\$639,949
Less: Accumulated Depreciation	<u>(324,457)</u>
Net Fixed Assets	<u>\$ 315,492</u>

A summary of the changes in general fixed assets follows:

	<u>Balance</u> <u>07/01/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06/30/00</u>
Land and Improvements	\$2,442,177	\$114,864	\$(74,500)	\$2,482,541
Buildings and Improvements	43,142,771	472,866	0	43,615,637
Textbooks	2,660,997	742,905	0	3,403,902
Furniture and Equipment	<u>14,449,211</u>	<u>1,079,306</u>	<u>(148,360)</u>	<u>15,380,157</u>
Total	<u>\$62,695,156</u>	<u>\$2,409,941</u>	<u>\$(222,860)</u>	<u>\$64,882,237</u>

NOTE 9 - 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 a deductible of \$1,000 per incident. The District's vehicle liability insurance policy limit is \$2,000,000 with a \$1,000 collision deductible. All board members, administrators and employees are covered under a school district liability policy. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Fidelity Bond

The Board President and Superintendent have a \$50,000 position bond. The Treasurer is covered under a surety bond in the amount of \$50,000. All other school employees who are specifically bonded are covered by a \$50,000 position bond and a money and securities bond of \$5,000, subject to a \$250 deductible.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 9 - RISK MANAGEMENT (continued)

C. Workers' Compensation

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating districts pay an enrollment fee to the GRP to cover the costs of administering the program.

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 districts is calculated as one experience and a common premium rate is applied to all 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 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 districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

D. Employee Health Insurance

The District has elected to provide employee medical, prescription and dental benefits through a self insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$250 family and \$125 single deductible. A third party administrator, CoreSource, Inc., located in Westerville, Ohio, reviews and processes all claims for payment. The District purchases stop-loss coverage of \$90,000 per employee and \$2,421,260 in the aggregate. The District pays into the self-insurance internal service fund \$588.50 family coverage per month for full-time employees. Family coverage for part-time employees costs the District from \$442.96 to \$559.40 per month based on the full-time equivalent status of each part-time employee. Individual coverage costs \$268.40 per month for full-time and part-time employees. The premium is paid by the fund that pays the salary for the employee, except for those grant funds whose agreements do not fund employee health insurance, and is based on historical cost information. Dental coverage is also provided on a self-insured basis through CoreSource, Inc. Premiums for this coverage are \$27.09 monthly for family and \$11.67 monthly for single coverage for certified employees. Premiums for non-certified full-time employees are \$50.75 monthly for family coverage and \$20.28 monthly for single coverage. Premiums for non-certified part-time employees working 25 to 26 hours weekly are \$25.38 monthly for family coverage and \$12.69 monthly for single coverage. Premiums for part-time employees working 27 to 34 hours weekly are \$30.45 for family coverage and \$10.15 monthly for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 9 - RISK MANAGEMENT (continued)

The District also provides prescription drug insurance to its employees through a self-insured program. The plan pays 80 percent of the cost of prescriptions with the employee paying 20 percent. This plan utilizes no prescription deductible for prescriptions. The third party administrator, CoreSource, Inc., reviews and processes the claims. The premium for this coverage is included in the medical plan premium amounts stated above.

The claims liability of \$450,714 reported in the fund at June 30, 2000, is based on the requirements of 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 to be reported. The costs are to be based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends, and any other factors that would modify past experience. The claims liability is based on an estimate supplied by the District's third party administrator.

A summary of the fund's claims liability in fiscal years 1999 and 2000 were as follows:

	<u>Balance</u> <u>Beginning of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claims</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
1999	\$299,155	\$3,079,227	\$2,888,087	\$490,295
2000	490,295	2,679,593	2,719,174	450,714

NOTE 10 - LONG-TERM DEBT OBLIGATIONS

Changes in long-term obligations of the District from July 1, 1999 through June 30, 2000, were as follows:

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

<u>Issue</u>	<u>Balance</u> <u>07/01/99</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>06/30/00</u>
General Obligation Bonds:				
Natatorium 6.00%; 10/78 - 12/99	\$45,000	\$0	\$(45,000)	\$0
High School Building 7.10%; 04/93 - 12/14	17,744,880	0	(1,755,000)	15,989,880
Energy Conservation Bonds 5.20%; 04/97 - 12/07	<u>1,498,849</u>	<u>0</u>	<u>(134,815)</u>	<u>1,364,034</u>
Total General Obligation Bonds	19,288,729	0	(1,934,815)	17,353,914
Energy Conservation Loan				
6.25%; 09/91 - 09/01	145,000	0	(45,000)	100,000

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 10 - LONG-TERM DEBT OBLIGATIONS (continued)

<u>Issue</u>	<u>Balance</u> <u>07/01/99</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>06/30/00</u>
Compensated Absences Payable	\$2,571,135	\$0	\$(151,664)	\$2,419,471
Intergovernmental Payable	<u>240,761</u>	<u>254,647</u>	<u>(240,761)</u>	<u>254,647</u>
Total General Long-Term Obligations	<u>\$22,245,625</u>	<u>\$254,647</u>	<u>\$(2,372,240)</u>	<u>\$20,128,032</u>

General Obligation Bonds and the Energy Conservation Loan will be paid from the Debt Service Fund. Intergovernmental Payables and Compensated Absences will be paid from the fund from which the employee is paid.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2000, \$22,270,000 of bonds outstanding are considered defeased.

Principal and interest requirements to retire general obligation bonds and the energy conservation loan outstanding at June 30, 2000, are as follows:

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>High</u> <u>School</u> <u>Building</u>	<u>Energy</u> <u>Conservation</u> <u>Bonds</u>	<u>Energy</u> <u>Conservation</u> <u>Loan</u>	<u>Total</u>
2001	\$ 2,458,825	\$ 209,068	\$ 56,250	\$ 2,724,143
2002	2,419,785	208,876	53,125	2,681,786
2003	2,419,845	208,674	0	2,628,519
2004	2,477,720	208,462	0	2,686,182
2005	2,480,720	208,239	0	2,688,959
Thereafter	<u>22,955,460</u>	<u>623,458</u>	<u>0</u>	<u>23,578,918</u>
Total	35,212,355	1,666,777	109,375	36,988,507
Less Interest	<u>(19,222,475)</u>	<u>(302,743)</u>	<u>(9,375)</u>	<u>(19,534,593)</u>
Principal	<u>\$15,989,880</u>	<u>\$1,364,034</u>	<u>\$100,000</u>	<u>\$17,453,914</u>

All bonds are backed by the full faith and credit of the District.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 11 - INTERFUND TRANSACTIONS

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	<u>\$214,930</u>	<u>\$0</u>
Special Revenue:		
Athletic and Music Fund	0	600
Other State Grant	0	6,850
Title VI-B	<u>0</u>	<u>4,400</u>
Total Special Revenue	<u>0</u>	<u>11,850</u>
Capital Projects:		
Building Fund	0	200,000
Vocational Education Equipment	<u>0</u>	<u>280</u>
Total Capital Projects	<u>0</u>	<u>200,280</u>
Enterprise Fund:		
Rotary	<u>0</u>	<u>2,800</u>
Total	<u>\$214,930</u>	<u>\$214,930</u>

NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains four enterprise funds: Food Service, Uniform School Supplies, Rotary and Community Education which are operated on a sales basis. The table below reflects the more significant financial data relating to the enterprise fund of the District for the fiscal year ended June 30, 2000:

	<u>Food</u> <u>Service</u>	<u>Uniform</u> <u>School</u> <u>Supplies</u>	<u>Rotary</u>	<u>Community</u> <u>Education</u>	<u>Total</u>
Operating revenues	\$1,302,195	\$153,694	\$68,160	\$647,626	\$2,171,675
Operating expenses before					
Depreciation	(1,325,077)	(128,230)	(42,521)	(563,228)	(2,059,056)
Depreciation expense	(20,311)	0	(2,440)	(499)	(23,250)
Operating income/(loss)	(43,193)	25,464	23,199	83,899	89,369
Federal donated commodities	43,044	0	0	0	43,044
Operating grants	54,629	0	5,050	0	59,679
Interest	13,966	0	0	0	13,966
Net income	68,446	25,464	28,249	83,899	206,058
Net working capital	154,883	110,933	58,148	96,941	420,905
Total assets	609,278	111,687	72,206	210,725	1,003,896
Total equity	464,430	110,933	61,142	99,892	736,397
Encumbrances at June 30, 2000	\$77,937	\$4,842	\$3,203	\$105,672	\$191,654

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 13 - RETIREMENT PLANS

A. State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$1,234,800, \$1,171,941, and \$1,820,017, respectively; 80.8 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$553,419 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

B. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 2000, 5.50 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$420,000, \$388,460, and \$390,641, respectively; 34.4 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$274,054 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and general long-term debt account group.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Retirement Board allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. For the District, this amount equaled \$1,646,208, during fiscal 2000.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2.783 billion statewide at June 30, 1999 (latest information available). For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients statewide.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll, an increase from 4.21 percent for fiscal year 1998 and 4.98 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999 (latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants statewide currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$395,418 during the 2000 fiscal year.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 15 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve 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 certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 120 days and adding to that one day for every eight days of the next 240 days accumulated, to a maximum of 60 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

NOTE 16 - LEASES

The District leases office equipment under noncancellable operating leases and copy cost containment agreements. Total costs for such leases/agreements were \$127,798 for the fiscal year ended June 30, 2000. The future minimum lease payments for these leases/agreements are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2001	\$110,423
2002	<u>84,476</u>
Total	<u>\$194,899</u>

NOTE 17 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances

The following funds had deficit fund balances caused by the recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differs from those recognized on the cash basis of accounting.

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Title VI	\$(6,771)
Capital Project:	
Building Fund	(29,537)
Vocational Education Equipment	(277)

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 18 - JOINTLY GOVERNED ORGANIZATION

The Six District Educational 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 one of the fiscal agents for this agreement, collecting and distributing payments pertaining to the administrative portion of the compact. The board exercises total control over the operations of the compact, including budgeting, appropriating, contracting and designating management.

NOTE 19 - CONTINGENCIES

Grants

The District received financial assistance from Federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2000.

Litigation

The District is not currently a party to any legal proceedings which would have a material impact on the financial statements.

NOTE 20 - STATE SCHOOL FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 2000, the District received \$7,646,750 of school foundation support in total, with the entire amount reported in the general fund.

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 20 - STATE SCHOOL FUNDING (continued)

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the “thorough and efficient” clause of the Ohio constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, “...the mandate of the (Ohio) Constitution has not been fulfilled.” The Court’s majority recognized efforts by the Ohio General Assembly taken in response to the Court’s March 24, 1997 decision, however, it found seven “...major areas warrant further attention, study and development by the General Assembly...,” including the State’s reliance on local property tax funding, the state’s basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State’s School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State foundation funding under these programs and on its financial operations.

NOTE 21 – REQUIRED BUDGET SET ASIDES

The District is required by State statute to annually set aside an amount based on prior year revenues for the purpose of textbooks and other instructional materials and an additional amount for capital improvements. Amounts not spent by year-end or offset by similarly restricted resources must be held in cash at year-end and carried forward to be used for the same purposes in future years. Amounts are also to be set aside for the budget stabilization reserve if the District’s base amount use for the yearly set aside calculation increases three percent or more from the prior year. This amount is to be included in the budget stabilization reserve.

The following information describes the changes in the amounts set aside for budget stabilization, textbooks and instructional materials and capital improvements from the end of the prior year to the end of the current year.

	Budget Stabilization <u>Set Aside</u>	Textbook/ Instructional <u>Set Aside</u>	Capital Improvements <u>Set Aside</u>	<u>Totals</u>
Set Aside Reserve Balance as of June 30, 1999	\$466,529	\$0	\$0	\$466,529
Current Year Set Aside Requirement	305,551	916,654	916,654	2,138,859
Qualifying Disbursements	0	(1,312,519)	0	(1,312,519)
Current Year Offsets	<u>0</u>	<u>0</u>	<u>(952,045)</u>	<u>(952,045)</u>
Total Set Aside Reserve Balance as of June 30, 2000	<u>\$772,080</u>	<u>\$(395,865)</u>	<u>\$(35,391)</u>	<u>\$340,824</u>
Balance Carried Forward to Reduce Future Set Aside Requirements	<u>\$0</u>	<u>\$(395,865)</u>	<u>\$(35,391)</u>	<u>\$431,256</u>
Amount Restricted for Budget Stabilization				<u>772,080</u>
Total Restricted Assets				<u>\$772,080</u>

HUDSON CITY SCHOOL DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 21 – REQUIRED BUDGET SET ASIDES (continued)

Although the District had offsets and qualifying disbursements during the year that reduced the textbook/instructional materials and capital improvements set aside amounts below zero, these extra amounts may be used to reduce the set aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year.

The general fund balance includes \$559 in excess of the minimum requirement that has been designated for budget stabilization that is available in future years. This amount is in excess of the minimum requirements.

Amounts remaining at year-end have been set aside to satisfy statutory requirements and are represented by restricted cash on the balance sheet. Corresponding amounts are reported as reserves of fund balance.

Combining
Individual Fund &
Account Group,
Financial
Statements &
Schedules



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General Fund

The General Fund is the operating fund of the District and is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented herein.

Special Revenue Funds

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:

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.

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.

Athletic and Music Fund - 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.

Pupils Program - Implementation of a school-based improvement plan that focuses on increasing academic achievement of all students.

Teacher Development - State grant received for the enhancement and continuing education of the teaching staff and development of in-service programs.

Management Information Systems - This fund accounts for State monies which are used solely for costs associated with the requirements of the educational management information system.

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

SchoolNet Professional Development – This fund accounts for a limited number of professional development subsidy grants.

Ohio Reads – This fund accounts for State monies which are intended to improve reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings for educational service centers for operating expenses associated with administering the program.

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

Special Revenue Funds (continued)

Economic Security Act - This fund accounts for State monies which support improving skills of teachers in instruction of math, sciences, foreign languages and computer learning; and increasing the access of all students to that instruction.

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

Vocational Education - Career development program to recognize diverse aptitudes, abilities, achievements, career maturity and program readiness of students.

Title VI - This fund accounts for federal revenues which support the implementation of a variety of programs (drug/alcohol abuse, computer education) to benefit children attending public and private non-profit schools within the community.

Drug Free Grant - This fund accounts for federal revenues for education of students and staff in drug abuse prevention.

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

Miscellaneous 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.

**Hudson City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2000**

	<u>Public School Support</u>	<u>Other Grants</u>	<u>Athletic and Music Fund</u>	<u>Auxiliary Services</u>
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$206,901	\$35,880	\$184,341	\$197,346
Receivables:				
Accounts	616	0	0	0
Intergovernmental	0	0	0	0
Total Assets	<u>\$207,517</u>	<u>\$35,880</u>	<u>\$184,341</u>	<u>\$197,346</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$7,972	\$1,265	\$7,380	\$68,041
Accrued Wages	0	0	0	38,784
Interfund Payable	0	0	600	0
Intergovernmental Payable	0	0	0	6,843
Total Liabilities	<u>7,972</u>	<u>1,265</u>	<u>7,980</u>	<u>113,668</u>
<u>Fund Equity</u>				
Fund Balance:				
Reserved for Encumbrances	17,001	2,056	15,741	87,804
Unreserved:				
Undesignated	182,544	32,559	160,620	(4,126)
Total Fund Equity	<u>199,545</u>	<u>34,615</u>	<u>176,361</u>	<u>83,678</u>
Total Liabilities and Fund Equity	<u>\$207,517</u>	<u>\$35,880</u>	<u>\$184,341</u>	<u>\$197,346</u>

<u>Pupils Program</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>School Net Professional Development</u>	<u>Ohio Reads</u>
\$350	\$9,757	\$34,494	\$16,272	\$5,000	\$2,769
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$350</u>	<u>\$9,757</u>	<u>\$34,494</u>	<u>\$16,272</u>	<u>\$5,000</u>	<u>\$2,769</u>
\$0	\$636	\$0	\$0	\$0	\$0
0	0	0	0	925	0
0	0	0	0	0	0
0	0	0	0	0	0
0	636	0	0	925	0
0	3,675	0	16,272	0	733
350	5,446	34,494	0	4,075	2,036
350	9,121	34,494	16,272	4,075	2,769
<u>\$350</u>	<u>\$9,757</u>	<u>\$34,494</u>	<u>\$16,272</u>	<u>\$5,000</u>	<u>\$2,769</u>

(continued)

Hudson City School District
Combining Balance Sheet (Continued)
All Special Revenue Funds
June 30, 2000

	Other State Grants	Economic Security Act	Title VI-B	Vocational Education
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$17,523	\$2,502	\$3,522	\$1,595
Receivables:				
Accounts	0	0	0	0
Intergovernmental	20,000	0	53,668	180
Total Assets	<u>\$37,523</u>	<u>\$2,502</u>	<u>\$57,190</u>	<u>\$1,775</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$20	\$0	\$3,259	\$0
Accrued Wages	14,148	0	36,054	0
Interfund Payable	6,850	0	4,400	0
Intergovernmental Payable	2,493	0	3,194	0
Total Liabilities	<u>23,511</u>	<u>0</u>	<u>46,907</u>	<u>0</u>
<u>Fund Equity</u>				
Fund Balance:				
Reserved for Encumbrances	3,795	370	242	0
Unreserved:				
Undesignated	10,217	2,132	10,041	1,775
Total Fund Equity	<u>14,012</u>	<u>2,502</u>	<u>10,283</u>	<u>1,775</u>
Total Liabilities and Fund Equity	<u>\$37,523</u>	<u>\$2,502</u>	<u>\$57,190</u>	<u>\$1,775</u>

<u>Title VI</u>	<u>Drug Free Grant</u>	<u>EHA Preschool Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$11,888	\$6,480	\$4,977	\$18,210	\$759,807
0	0	0	0	616
0	0	0	0	73,848
<u>\$11,888</u>	<u>\$6,480</u>	<u>\$4,977</u>	<u>\$18,210</u>	<u>\$834,271</u>
\$2,443	\$35	\$0	\$6,450	\$97,501
16,216	0	4,219	0	110,346
0	0	0	0	11,850
0	0	0	0	12,530
<u>18,659</u>	<u>35</u>	<u>4,219</u>	<u>6,450</u>	<u>232,227</u>
223	1,556	0	293	149,761
<u>(6,994)</u>	<u>4,889</u>	<u>758</u>	<u>11,467</u>	<u>452,283</u>
<u>(6,771)</u>	<u>6,445</u>	<u>758</u>	<u>11,760</u>	<u>602,044</u>
<u>\$11,888</u>	<u>\$6,480</u>	<u>\$4,977</u>	<u>\$18,210</u>	<u>\$834,271</u>

Hudson City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue funds
For the Fiscal Year Ended June 30, 2000

	Public School Support	Other Grants	Athletic and Music Fund	Auxiliary Services
<u>Revenues</u>				
Intergovernmental	\$616	\$48,525	\$0	\$1,004,245
Tuition and Fees	89,887	0	0	0
Extracurricular Activities	142,731	0	298,408	0
Food Service	7,339	0	0	0
Miscellaneous	100,850	0	55,063	0
Total Revenues	<u>341,423</u>	<u>48,525</u>	<u>353,471</u>	<u>1,004,245</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	56,191	0	0	831,147
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	232,580	0	0	134,808
Instructional Staff	0	13,910	0	2,085
Administration	0	0	0	93,430
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	7,270
Operation of Non-Instructional Services	10,887	0	643	0
Extracurricular Activities	0	0	396,472	0
Total Expenditures	<u>299,658</u>	<u>13,910</u>	<u>397,115</u>	<u>1,068,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>41,765</u>	<u>34,615</u>	<u>(43,644)</u>	<u>(64,495)</u>
<u>Other Financing Sources</u>				
Operating Transfers In	0	0	83,716	11,650
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>83,716</u>	<u>11,650</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	41,765	34,615	40,072	(52,845)
Fund Balances (Deficit) at Beginning of Year	<u>157,780</u>	<u>0</u>	<u>136,289</u>	<u>136,523</u>
Fund Balances (Deficit) at End of Year	<u>\$199,545</u>	<u>\$34,615</u>	<u>\$176,361</u>	<u>\$83,678</u>

<u>Pupils Program</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications</u>	<u>School Net Professional Development</u>	<u>Ohio Reads</u>
\$0	\$33,129	\$15,479	\$16,272	\$5,000	\$4,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>33,129</u>	<u>15,479</u>	<u>16,272</u>	<u>5,000</u>	<u>4,000</u>
0	0	0	0	0	1,231
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	33,359	0	0	925	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>33,359</u>	<u>0</u>	<u>0</u>	<u>925</u>	<u>1,231</u>
0	(230)	15,479	16,272	4,075	2,769
0	0	0	0	0	0
0	0	0	0	0	0
0	(230)	15,479	16,272	4,075	2,769
<u>350</u>	<u>9,351</u>	<u>19,015</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$350</u>	<u>\$9,121</u>	<u>\$34,494</u>	<u>\$16,272</u>	<u>\$4,075</u>	<u>\$2,769</u>

(continued)

Hudson City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)
All Special Revenue funds
For the Fiscal Year Ended June 30, 2000

	Other State Grants	Economic Security Act	Title VI-B	Vocational Education
<u>Revenues</u>				
Intergovernmental	\$142,837	\$0	\$246,644	\$675
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Food Service	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	<u>142,837</u>	<u>0</u>	<u>246,644</u>	<u>675</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	106,384	0	0	0
Special	0	0	6,602	0
Vocational	0	0	0	8,839
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	209,688	0
Instructional Staff	22,147	29,897	10,475	0
Administration	0	0	16,648	0
Business	5,487	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	<u>134,018</u>	<u>29,897</u>	<u>243,413</u>	<u>8,839</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,819</u>	<u>(29,897)</u>	<u>3,231</u>	<u>(8,164)</u>
<u>Other Financing Sources</u>				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	8,819	(29,897)	3,231	(8,164)
Fund Balances (Deficit) at Beginning of Year	<u>5,193</u>	<u>32,399</u>	<u>7,052</u>	<u>9,939</u>
Fund Balances (Deficit) at End of Year	<u><u>\$14,012</u></u>	<u><u>\$2,502</u></u>	<u><u>\$10,283</u></u>	<u><u>\$1,775</u></u>

<u>Title VI</u>	<u>Drug Free Grant</u>	<u>EHA Preschool Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$5,032	\$23,676	\$23,644	\$53,367	\$1,623,141
0	0	0	0	89,887
0	0	0	0	441,139
0	0	0	0	7,339
0	0	0	0	155,913
<u>5,032</u>	<u>23,676</u>	<u>23,644</u>	<u>53,367</u>	<u>2,317,419</u>
14,621	0	0	0	1,009,574
0	0	699	0	7,301
0	0	0	7,148	15,987
0	0	0	8,328	8,328
0	24,076	0	4,926	606,078
28,341	0	21,384	22,823	185,346
0	0	0	0	110,078
0	0	0	0	5,487
0	0	0	0	7,270
2,443	0	0	1,277	15,250
0	0	0	0	396,472
<u>45,405</u>	<u>24,076</u>	<u>22,083</u>	<u>44,502</u>	<u>2,367,171</u>
<u>(40,373)</u>	<u>(400)</u>	<u>1,561</u>	<u>8,865</u>	<u>(49,752)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,366</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>95,366</u>
(40,373)	(400)	1,561	8,865	45,614
<u>33,602</u>	<u>6,845</u>	<u>(803)</u>	<u>2,895</u>	<u>556,430</u>
<u>(\$6,771)</u>	<u>\$6,445</u>	<u>\$758</u>	<u>\$11,760</u>	<u>\$602,044</u>

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Public School Support
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition and Fees	\$89,887	\$89,887	\$0
Extracurricular Activities	142,731	142,731	0
Food Service	7,339	7,339	0
Miscellaneous	100,796	100,796	0
Total Revenues	340,753	340,753	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	59,282	55,933	3,349
Support Services:			
Pupils	359,699	255,200	104,499
Operation of Non-Instructional Services	17,172	13,136	4,036
Total Expenditures	436,153	324,269	111,884
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,400)	16,484	(111,884)
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	0	54	54
Total Other Financing Sources	0	54	54
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(95,400)	16,538	111,938
Fund Balance at Beginning of Year	143,502	143,502	0
Prior Year Encumbrances Appropriated	24,869	24,869	0
Fund Balance at End of Year	\$72,971	\$184,909	\$111,938

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Other Grants
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$48,525	\$48,525	\$0
Total Revenues	48,525	48,525	0
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff	48,495	15,966	32,529
Total Expenditures	48,495	15,966	32,529
Excess of Revenues Over Expenditures	30	32,559	32,529
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$30	\$32,559	\$32,529

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Athletic and Music Fund
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Extracurricular Activities	\$298,408	\$298,408	\$0
Miscellaneous	54,695	54,695	0
Total Revenues	353,103	353,103	0
<u>Expenditures</u>			
Current:			
Extracurricular Activities	536,486	423,629	112,857
Operation of Non-Instructional Services	643	643	0
Total Expenditures	537,129	424,272	(112,857)
(Deficiency) of Revenues (Under) Expenditures	(184,026)	(71,169)	112,857
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	0	518	518
Refund of Prior Year Receipts	(65)	(65)	0
Advances In	600	600	0
Operating Transfers In	83,716	83,716	0
Total Other Financing Sources (Uses)	84,251	84,769	518
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(99,775)	13,600	113,375
Fund Balance at Beginning of Year	136,315	136,315	0
Prior Year Encumbrances Appropriated	11,305	11,305	0
Fund Balance at End of Year	\$47,845	\$161,220	\$113,375

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Auxiliary Services
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$1,004,245	\$1,004,245	\$0
Total Revenues	1,004,245	1,004,245	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	949,622	926,337	23,285
Support Services:			
Pupils	155,914	152,650	3,264
Instructional Staff	2,992	2,085	907
Administration	102,990	99,025	3,965
Operation and Maintenance of Plant	8,724	8,724	0
Total Expenditures	1,220,242	1,188,821	31,421
(Deficiency) of Revenues (Under) Expenditures	(215,997)	(184,576)	31,421
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(18,902)	(18,902)	0
Operating Transfers In	11,650	11,650	0
Total Other Financing Sources (Uses)	(7,252)	(7,252)	0
(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(223,249)	(191,828)	31,421
Fund Balance at Beginning of Year	14,175	14,175	0
Prior Year Encumbrances Appropriated	219,154	219,154	0
Fund Balance at End of Year	\$10,080	\$41,501	\$31,421

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Pupils Program
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	350	0	350
Total Expenditures	350	0	350
(Deficiency) of Revenues (Under) Expenditures	(350)	0	350
Fund Balance at Beginning of Year	350	350	0
Fund Balance at End of Year	\$0	\$350	\$350

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Teacher Development
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$33,129	\$33,129	\$0
Total Revenues	33,129	33,129	0
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff	59,133	53,687	5,446
Total Expenditures	59,133	53,687	5,446
(Deficiency) of Revenues (Under) Expenditures	(26,004)	(20,558)	(5,446)
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	157	157	0
Refund of Prior Year Receipts	(4,430)	(4,430)	0
Total Other Financing Sources (Uses)	(4,273)	(4,273)	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(30,277)	(24,831)	5,446
Fund Balance at Beginning of Year	24,641	24,641	0
Prior Year Encumbrances Appropriated	5,636	5,636	0
Fund Balance at End of Year	\$0	\$5,446	\$5,446

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Management Information System
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$15,479	\$15,479	\$0
Total Revenues	15,479	15,479	0
<u>Expenditures</u>			
Current:			
Support Services:			
Administration	15,024	0	15,024
Total Expenditures	15,024	0	15,024
Excess of Revenues Over Expenditures	455	15,479	15,024
Fund Balance at Beginning of Year	19,015	19,015	0
Fund Balance at End of Year	\$19,470	\$34,494	\$15,024

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Data Communications
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$16,272	\$16,272	\$0
Total Revenues	16,272	16,272	0
<u>Expenditures</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant	16,272	16,272	0
Total Expenditures	16,272	16,272	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 SchoolNet Professional Development
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff	4,000	0	4,000
Administration	1,000	0	1,000
Total Expenditures	5,000	0	5,000
Excess of Revenues Over Expenditures	0	5,000	5,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$5,000	\$5,000

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Ohio Reads
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$4,000	\$4,000	\$0
Total Revenues	4,000	4,000	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	4,000	1,964	2,036
Total Expenditures	4,000	1,964	2,036
Excess of Revenues Over Expenditures	0	2,036	2,036
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$2,036	\$2,036

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Other State Grants
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$122,837	\$122,837	\$0
Total Revenues	122,837	122,837	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	98,245	96,953	1,292
Support Services:			
Instructional Staff	31,172	18,755	12,417
Business	5,487	5,487	0
Total Expenditures	134,904	121,195	13,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,067)	1,642	13,709
<u>Other Financing Sources</u>			
Advances In	6,850	6,850	0
Total Other Financing Sources	6,850	6,850	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,217)	8,492	13,709
Fund Balance at Beginning of Year	4,767	4,767	0
Prior Year Encumbrances Appropriated	450	450	0
Fund Balance at End of Year	\$0	\$13,709	\$13,709

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Economic Security Act
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$18,875	\$18,875	\$0
Total Revenues	18,875	18,875	0
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff	25,062	24,657	405
Operation of Non-Instructional Services	2,096	370	1,726
Total Expenditures	27,158	25,027	2,131
(Deficiency) of Revenues (Under) Expenditures	(8,283)	(6,152)	2,131
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(6,134)	(6,134)	0
Operating Transfers In	18,875	18,875	0
Operating Transfers Out	(18,875)	(18,875)	0
Total Other Financing Sources (Uses)	(6,134)	(6,134)	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(14,417)	(12,286)	2,131
Fund Balance at Beginning of Year	14,417	14,417	0
Fund Balance at End of Year	\$0	\$2,131	\$2,131

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Title VI-B
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$192,976	\$192,976	\$0
Total Revenues	192,976	192,976	0
<u>Expenditures</u>			
Current:			
Instruction:			
Special	5,783	5,783	0
Support Services:			
Pupils	203,235	203,214	21
Instructional Staff	15,195	15,195	0
Administration	13,833	13,833	0
Total Expenditures	238,046	238,025	21
(Deficiency) of Revenues (Under) Expenditures	(45,070)	(45,049)	21
<u>Other Financing Sources</u>			
Advances In	4,400	4,400	0
Total Other Financing Sources	4,400	4,400	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(40,670)	(40,649)	21
Fund Balance at Beginning of Year	40,496	40,496	0
Prior Year Encumbrances Appropriated	174	174	0
Fund Balance at End of Year	\$0	\$21	\$21

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 Vocational Education
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$495	\$495	\$0
Total Revenues	495	495	0
<u>Expenditures</u>			
Current:			
Instruction:			
Vocational	1,100	0	1,100
Total Expenditures	1,100	0	1,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	(605)	495	1,100
<u>Other Financing (Uses)</u>			
Refund of Prior Year Receipts	(8,839)	(8,839)	0
Total Other Financing (Uses)	(8,839)	(8,839)	0
Excess (Deficiency) of Revenues (Under) Expenditures and Other Financing Uses	(9,444)	(8,344)	1,100
Fund Balance at Beginning of Year	9,939	9,939	0
Fund Balance at End of Year	\$495	\$1,595	\$1,100

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Title VI
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$33,569	\$33,569	\$0
Total Revenues	33,569	33,569	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	14,714	14,621	93
Support Services:			
Instructional Staff	34,057	27,156	6,901
Operation of Non-Instructional Services	4,896	2,666	2,230
Total Expenditures	53,667	44,443	9,224
(Deficiency) of Revenues (Under) Expenditures	(20,098)	(10,874)	9,224
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(844)	(844)	0
Operating Transfers In	28,537	28,537	0
Operating Transfers Out	(28,537)	(28,537)	0
Total Other Financing Sources (Uses)	(844)	(844)	0
(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(20,942)	(11,718)	9,224
Fund Balance at Beginning of Year	20,941	20,941	0
Fund Balance (Deficit) at End of Year	(\$1)	\$9,223	\$9,224

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Drug Free Grant
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$23,676	\$23,676	\$0
Total Revenues	23,676	23,676	0
<u>Expenditures</u>			
Current:			
Support Services:			
Pupils	33,845	28,956	4,889
Total Expenditures	33,845	28,956	4,889
(Deficiency) of Revenues (Under) Expenditures	(10,169)	(5,280)	4,889
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(3)	(3)	0
Operating Transfers In	4,598	4,598	0
Operating Transfers Out	(4,598)	(4,598)	0
Total Other Financing Sources (Uses)	(3)	(3)	0
(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(10,172)	(5,283)	4,889
Fund Balance at Beginning of Year	6,299	6,299	0
Prior Year Encumbrances Appropriated	3,873	3,873	0
Fund Balance at End of Year	\$0	\$4,889	\$4,889

Hudson City School District
 Schedule of Revenues, Expenditures and Changes
 In Fund Balances - Budget and Actual (Budget Basis)
 EHA Preschool Grant
 For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$23,644	\$23,644	\$0
Total Revenues	23,644	23,644	0
<u>Expenditures</u>			
Current:			
Instruction:			
Special	829	699	130
Support Services:			
Instructional Staff	25,066	20,219	4,847
Total Expenditures	25,895	20,918	4,977
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,251)	2,726	4,977
Fund Balance at Beginning of Year	2,251	2,251	0
Fund Balance at End of Year	\$0	\$4,977	\$4,977

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$53,367	\$53,367	\$0
Total Revenues	53,367	53,367	0
<u>Expenditures</u>			
Current:			
Instruction:			
Vocational	9,183	7,280	1,903
Adult/Continuing	8,842	8,341	501
Support Services:			
Pupils	6,470	4,782	1,688
Instructional Staff	30,317	22,808	7,509
Operation of Non-Instructional Services	1,656	1,647	9
Total Expenditures	56,468	44,858	11,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,101)	8,509	11,610
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(21)	(21)	0
Advances Out	(3,865)	(3,865)	0
Operating Transfers In	7,313	7,313	0
Operating Transfers Out	(7,313)	(7,313)	0
Total Other Financing Sources (Uses)	(3,886)	(3,886)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,987)	4,623	11,610
Fund Balance at Beginning of Year	6,858	6,858	0
Prior Year Encumbrances Appropriated	130	130	0
Fund Balance at End of Year	\$1	\$11,611	\$11,610

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$1,596,089	\$1,596,089	\$0
Tuition and Fees	89,887	89,887	0
Extracurricular Activities	441,139	441,139	0
Food Service	7,339	7,339	0
Miscellaneous	155,491	155,491	0
Total Revenues	<u>2,289,945</u>	<u>2,289,945</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	1,126,213	1,095,808	30,405
Special	6,612	6,482	130
Vocational	10,283	7,280	3,003
Adult/Continuing	8,842	8,341	501
Support Services:			
Pupils	759,163	644,802	114,361
Instructional Staff	275,489	200,528	74,961
Administration	132,847	112,858	19,989
Business	5,487	5,487	0
Operation and Maintenance of Plant	24,996	24,996	0
Community Services	26,463	18,462	8,001
Extracurricular Activities	536,486	423,629	112,857
Total Expenditures	<u>2,912,881</u>	<u>2,548,673</u>	<u>364,208</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(622,936)</u>	<u>(258,728)</u>	<u>364,208</u>
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	157	729	572
Refund of Prior Year Receipts	(39,238)	(39,238)	0
Advances In	11,850	11,850	0
Advances Out	(3,865)	(3,865)	0
Operating Transfers In	154,689	154,689	0
Operating Transfers Out	(59,323)	(59,323)	0
Total Other Financing Sources (Uses)	<u>64,270</u>	<u>64,842</u>	<u>572</u>
(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(558,666)</u>	<u>(193,886)</u>	<u>364,780</u>
Fund Balances at Beginning of Year	443,966	443,966	0
Prior Year Encumbrances Appropriated	265,591	265,591	0
Fund Balances at End of Year	<u><u>\$150,891</u></u>	<u><u>\$515,671</u></u>	<u><u>\$364,780</u></u>

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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.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements have been presented herein.

Capital Projects Funds

The Capital Projects Funds account for the receipts and disbursements of monies used for the acquisition, construction or major renovation of capital facilities (other than those financed by Enterprise Funds).

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.

Building Fund – This fund is used to account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures for the costs of acquiring capital facilities including real property are also accounted for in this fund.

Vocational Education Equipment – This fund accounts for receipts and expenditures for the instruction of students in job skills.

SchoolNet - Used for the purchase of hardware and other computer equipment.

Power Up Grant – This fund accounts for State grant money to be spent on electrical upgrades. This grant has a local matching requirement which may be transferred to and spent from this fund.

**Hudson City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2000**

	Permanent Improvement	Building Fund	Vocational Education Equipment	SchoolNet
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$802,690	\$180,239	\$3	\$16,244
Receivables:				
Taxes	814,840	0	0	0
Total Assets	<u>\$1,617,530</u>	<u>\$180,239</u>	<u>\$3</u>	<u>\$16,244</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Accounts Payable	\$2,125	\$9,776	\$0	\$467
Interfund Payable	0	200,000	280	0
Deferred Revenue	783,158	0	0	0
Total Liabilities	<u>785,283</u>	<u>209,776</u>	<u>280</u>	<u>467</u>
<u>Fund Equity</u>				
Fund Balance:				
Reserved for Encumbrances	356,933	30,848	0	834
Reserved for Property Tax Advance	31,682	0	0	0
Unreserved:				
Undesignated	443,632	(60,385)	(277)	14,943
Total Fund Equity	<u>832,247</u>	<u>(29,537)</u>	<u>(277)</u>	<u>15,777</u>
Total Liabilities and Fund Equity	<u>\$1,617,530</u>	<u>\$180,239</u>	<u>\$3</u>	<u>\$16,244</u>

Power Up Grant	Totals
\$28,728	\$1,027,904
<u>0</u>	<u>814,840</u>
<u>\$28,728</u>	<u>\$1,842,744</u>
\$0	\$12,368
0	200,280
<u>0</u>	<u>783,158</u>
<u>0</u>	<u>995,806</u>
0	388,615
0	31,682
<u>28,728</u>	<u>426,641</u>
<u>28,728</u>	<u>846,938</u>
<u>\$28,728</u>	<u>\$1,842,744</u>

Hudson City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Permanent Improvement	Building Fund	Vocational Education Equipment	Schoolnet
<u>Revenues</u>				
Taxes	\$847,320	\$0	\$0	\$0
Intergovernmental	115,912	0	0	0
Total Revenues	<u>963,232</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>				
Current:				
Instruction:				
Regular	0	0	0	22,299
Vocational	0	0	277	0
Support Services:				
Fiscal	13,908	0	0	0
Capital Outlay	<u>581,094</u>	<u>29,537</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>595,002</u>	<u>29,537</u>	<u>277</u>	<u>22,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	368,230	(29,537)	(277)	(22,299)
Fund Balances at Beginning of Year	<u>464,017</u>	<u>0</u>	<u>0</u>	<u>38,076</u>
Fund Balances (Deficit) at End of Year	<u><u>\$832,247</u></u>	<u><u>(\$29,537)</u></u>	<u><u>(\$277)</u></u>	<u><u>\$15,777</u></u>

Power Up Grant	Totals
\$0	\$847,320
<u>28,728</u>	<u>144,640</u>
<u>28,728</u>	<u>991,960</u>
0	22,299
0	277
0	13,908
<u>0</u>	<u>610,631</u>
<u>0</u>	<u>647,115</u>
28,728	344,845
<u>0</u>	<u>502,093</u>
<u><u>\$28,728</u></u>	<u><u>\$846,938</u></u>

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Permanent Improvement
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$836,133	836,133	0
Intergovernmental	115,912	115,912	0
Total Revenues	952,045	952,045	0
<u>Expenditures</u>			
Current:			
Support Services:			
Fiscal	27,000	13,908	13,092
Facilities Acquisition and Construction Services	1,339,063	938,245	400,818
Total Expenditures	1,366,063	952,153	413,910
(Deficiency) of Revenues (Under) Expenditures	(414,018)	(108)	413,910
<u>Other Financing (Uses)</u>			
Refund of Prior Year Receipts	(100)	(100)	0
Advances Out	(90,000)	(90,000)	0
Total Other Financing (Uses)	(90,100)	(90,100)	0
(Deficiency) of Revenues (Under) Expenditures and Other Financing Uses	(504,118)	(90,208)	413,910
Fund Balance at Beginning of Year	362,679	362,679	0
Prior Year Encumbrances Appropriated	171,163	171,163	0
Fund Balance at End of Year	\$29,724	\$443,634	\$413,910

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Building Fund
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Facilities Acquisition and Construction Services	200,000	60,385	139,615
Total Expenditures	200,000	60,385	139,615
(Deficiency) of Revenues (Under) Expenditures	(200,000)	(60,385)	139,615
<u>Other Financing Sources</u>			
Advances In	200,000	200,000	0
Total Other Financing Sources	200,000	200,000	0
Excess of Revenues and Other Financing Sources Over Expenditures	0	139,615	139,615
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$139,615	\$139,615

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Vocational Education Equipment
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction:			
Vocational	277	277	0
Total Expenditures	277	277	0
(Deficiency) of Revenues (Under) Expenditures	(277)	(277)	0
<u>Other Financing Sources</u>			
Advances In	0	280	280
Total Other Financing Sources (Uses)	0	280	280
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(277)	3	280
Fund Balance at Beginning of Year	0	0	0
Fund Balance (Deficit) at End of Year	(\$277)	\$3	\$280

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
SchoolNet
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	38,289	22,880	15,409
Total Expenditures	38,289	22,880	15,409
(Deficiency) of Revenues (Under) Expenditures	(38,289)	(22,880)	15,409
Fund Balance at Beginning of Year	37,939	37,939	0
Prior Year Encumbrances Appropriated	350	350	0
Fund Balance at End of Year	\$0	\$15,409	\$15,409

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
Power Up Grant
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$28,728	\$28,728	\$0
Total Revenues	28,728	28,728	0
<u>Expenditures</u>			
Current:			
Support Services:			
Operation and Maintenance of Plant	28,728	0	28,728
Total Expenditures	28,728	0	28,728
Excess of Revenues Over Expenditures	0	28,728	28,728
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$28,728	\$28,728

Hudson City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget and Actual (Budget Basis)
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$836,133	\$836,133	\$0
Intergovernmental	144,640	144,640	0
Total Revenues	<u>980,773</u>	<u>980,773</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	38,289	22,880	15,409
Vocational	277	277	0
Fiscal	27,000	13,908	13,092
Operation and Maintenance of Plant	28,728	0	28,728
Facilities Acquisition and Construction Services	<u>1,539,063</u>	<u>998,630</u>	<u>540,433</u>
Total Expenditures	<u>1,633,357</u>	<u>1,035,695</u>	<u>597,662</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(652,584)</u>	<u>(54,922)</u>	<u>597,662</u>
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(100)	(100)	0
Advances In	200,000	200,280	280
Advances Out	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>109,900</u>	<u>110,180</u>	<u>280</u>
(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(542,684)</u>	<u>55,258</u>	<u>597,942</u>
Fund Balances at Beginning of Year	400,618	400,618	0
Prior Year Encumbrances Appropriated	<u>171,513</u>	<u>171,513</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$29,447</u></u>	<u><u>\$627,389</u></u>	<u><u>\$597,942</u></u>

Enterprise Funds

Food Service - This fund accounts for all revenues and expenses related to the provision of food service for the District.

Uniform School Supply - A fund to account for the purchase and sale of school supplies as adopted by the Board of Education for use in schools of the District. Profit derived from the sales is used for school purposes or activities in connection with the District.

Rotary - A fund provided to account for income and expenses made in connection with goods and services provided by the District.

Community Education - A fund established to account for all financial activities related to the Community Education and Recreation Center operations. These operations involve recreation for residents and employees of the Hudson City School District: basketball, volleyball, tennis, walking, jogging, weight lifting, exercising, etc.

**Hudson City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2000**

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Assets</u>					
Current Assets:					
Equity in Pooled Cash and Investments	\$263,877	\$87,551	\$56,367	\$207,774	\$615,569
Receivables:					
Accounts	0	0	12,845	0	12,845
Intergovernmental	7,510	0	0	0	7,510
Inventory Held For Resale	23,738	24,136	0	0	47,874
Materials and Supplies Inventory	4,606	0	0	0	4,606
Total Current Assets	299,731	111,687	69,212	207,774	688,404
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)					
	309,547	0	2,994	2,951	315,492
Total Assets	<u>\$609,278</u>	<u>\$111,687</u>	<u>\$72,206</u>	<u>\$210,725</u>	<u>\$1,003,896</u>
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$3,150	\$754	\$1,215	\$43,009	\$48,128
Accrued Wages	53,531	0	5,448	27,561	86,540
Compensated Absences Payable	30,282	0	0	17,057	47,339
Interfund Payable	0	0	2,800	0	2,800
Intergovernmental Payable	49,996	0	1,601	23,206	74,803
Deferred Revenue	7,889	0	0	0	7,889
Total Liabilities	144,848	754	11,064	110,833	267,499
<u>Fund Equity</u>					
Retained Earnings:					
Unreserved	464,430	110,933	61,142	99,892	736,397
Total Fund Equity	464,430	110,933	61,142	99,892	736,397
Total Liabilities and Fund Equity	<u>\$609,278</u>	<u>\$111,687</u>	<u>\$72,206</u>	<u>\$210,725</u>	<u>\$1,003,896</u>

Hudson City School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Operating Revenues</u>					
Tuition	\$0	\$0	\$47,891	\$0	\$47,891
Sales	0	153,694	0	0	153,694
Charges for Services	1,302,195	0	0	0	1,302,195
Other Operating Revenues	0	0	20,269	647,626	667,895
Total Operating Revenues	<u>1,302,195</u>	<u>153,694</u>	<u>68,160</u>	<u>647,626</u>	<u>2,171,675</u>
<u>Operating Expenses</u>					
Salaries	409,102	0	7,503	218,707	635,312
Fringe Benefits	158,757	0	2,509	43,864	205,130
Purchased Services	21,816	1,104	15,562	253,003	291,485
Materials and Supplies	92,132	127,126	16,447	47,509	283,214
Cost of Sales	643,270	0	0	0	643,270
Depreciation	20,311	0	2,440	499	23,250
Other Operating Expenses	0	0	500	145	645
Total Operating Expenses	<u>1,345,388</u>	<u>128,230</u>	<u>44,961</u>	<u>563,727</u>	<u>2,082,306</u>
Operating Income (Loss)	<u>(43,193)</u>	<u>25,464</u>	<u>23,199</u>	<u>83,899</u>	<u>89,369</u>
<u>Non-Operating Revenues</u>					
Federal Donated Commodities	43,044	0	0	0	43,044
Operating Grants	54,629	0	5,050	0	59,679
Interest	13,966	0	0	0	13,966
Total Non-Operating Revenues	<u>111,639</u>	<u>0</u>	<u>5,050</u>	<u>0</u>	<u>116,689</u>
Net Income	68,446	25,464	28,249	83,899	206,058
Retained Earnings at Beginning of Year	<u>395,984</u>	<u>85,469</u>	<u>32,893</u>	<u>15,993</u>	<u>530,339</u>
Retained Earnings at End of Year	<u>\$464,430</u>	<u>\$110,933</u>	<u>\$61,142</u>	<u>\$99,892</u>	<u>\$736,397</u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Food Service
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<u>Revenues</u>			
Charges for Services	1,302,195	1,302,195	0
Interest	13,966	13,966	0
Operating Grants	54,958	54,958	0
Total Revenues	<u>1,371,119</u>	<u>1,371,119</u>	<u>0</u>
<u>Expenses</u>			
Salaries	447,348	412,465	34,883
Fringe Benefits	156,700	156,666	34
Purchased Services	24,870	23,050	1,820
Materials and Supplies	889,723	759,392	130,331
Capital Outlay	103,830	88,573	15,257
Refund of Prior Year Revenue	1,800	0	1,800
Total Expenses	<u>1,624,271</u>	<u>1,440,146</u>	<u>184,125</u>
(Deficiency) of Revenues (Under) Expenses	(253,152)	(69,027)	184,125
Fund Equity at Beginning of Year	199,875	199,875	0
Prior Year Encumbrances Appropriated	55,091	55,091	0
Fund Equity at End of Year	<u><u>\$1,814</u></u>	<u><u>\$185,939</u></u>	<u><u>\$184,125</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Uniform School Supply
For the Fiscal Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues</u>			
Sales	\$153,694	\$153,694	\$0
Total Revenues	<u>153,694</u>	<u>153,694</u>	<u>0</u>
<u>Expenses</u>			
Purchased Services	2,545	1,416	1,129
Materials and Supplies	212,723	147,060	65,663
Capital Outlay	500	0	500
Total Expenses	<u>215,768</u>	<u>148,476</u>	<u>67,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(62,074)	5,218	67,292
Fund Equity at Beginning of Year	39,323	39,323	0
Prior Year Encumbrances Appropriated	<u>38,168</u>	<u>38,168</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$15,417</u></u>	<u><u>\$82,709</u></u>	<u><u>\$67,292</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Rotary
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$35,441	\$35,441	\$0
Other Revenues	20,419	20,419	0
Operating Grants	5,050	5,050	0
Total Revenues	<u>60,910</u>	<u>60,910</u>	<u>0</u>
<u>Expenses</u>			
Salaries	23,021	22,638	383
Fringe Benefits	1,262	1,053	209
Purchased Services	28,615	20,242	8,373
Materials and Supplies	20,988	16,102	4,886
Other	3,685	500	3,185
Refund of Prior Year Revenue	1,335	1,335	0
Total Expenses	<u>78,906</u>	<u>61,870</u>	<u>17,036</u>
(Deficiency) of Revenues (Under) Expenses Before Advances	(17,996)	(960)	17,036
Advances In	2,800	2,800	0
Advances Out	(1,897)	(1,897)	0
(Deficiency) of Revenues (Under) Expenses	(17,093)	(57)	17,036
Fund Equity at Beginning of Year	46,637	46,637	0
Prior Year Encumbrances Appropriated	<u>6,585</u>	<u>6,585</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$36,129</u></u>	<u><u>\$53,165</u></u>	<u><u>\$17,036</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Community Education
For the Fiscal Year Ended June 30, 2000

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues</u>			
Other Revenues	\$647,626	\$647,626	\$0
Total Revenues	<u>647,626</u>	<u>647,626</u>	<u>0</u>
<u>Expenses</u>			
Salaries	242,308	241,073	1,235
Fringe Benefits	40,152	39,596	556
Purchased Services	336,707	329,642	7,065
Materials and Supplies	66,059	63,597	2,462
Capital Outlay	2,523	2,487	36
Other	200	145	55
Refund of Prior Year Revenue	<u>6,019</u>	<u>6,019</u>	<u>0</u>
Total Expenses	<u>693,968</u>	<u>682,559</u>	<u>11,409</u>
(Deficiency) of Revenues (Under) Expenses	(46,342)	(34,933)	11,409
Fund Equity at Beginning of Year	34,249	34,249	0
Prior Year Encumbrances Appropriated	<u>102,786</u>	<u>102,786</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$90,693</u></u>	<u><u>\$102,102</u></u>	<u><u>\$11,409</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$35,441	\$35,441	\$0
Sales	153,694	153,694	0
Charges for Services	1,302,195	1,302,195	0
Interest	13,966	13,966	0
Other Revenues	668,045	668,045	0
Operating Grants	60,008	60,008	0
Total Revenues	<u>2,233,349</u>	<u>2,233,349</u>	<u>0</u>
<u>Expenses</u>			
Salaries	712,677	676,176	36,501
Fringe Benefits	198,114	197,315	799
Purchased Services	392,737	374,350	18,387
Materials and Supplies	1,189,493	986,151	203,342
Capital Outlay	106,853	91,060	15,793
Other	3,885	645	3,240
Refund of Prior Year Revenue	9,154	7,354	1,800
Total Expenses	<u>2,612,913</u>	<u>2,333,051</u>	<u>279,862</u>
(Deficiency) of Revenue (Under) Expenses Before Advances	(379,564)	(99,702)	279,862
Advances In	2,800	2,800	0
Advances Out	(1,897)	(1,897)	0
(Deficiency) of Revenues (Under) Expenses	(378,661)	(98,799)	279,862
Fund Equity at Beginning of Year	320,084	320,084	0
Prior Year Encumbrances Appropriated	<u>202,630</u>	<u>202,630</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$144,053</u></u>	<u><u>\$423,915</u></u>	<u><u>\$279,862</u></u>

Hudson City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$1,302,195	\$153,694	\$0	\$0	\$1,455,889
Cash Received from Tuition Payments	0	0	35,441	0	35,441
Cash Payments to Suppliers for Goods and Services	(716,628)	(143,634)	(34,476)	(293,911)	(1,188,649)
Cash Payments to Employees for Services	(412,018)	0	(22,638)	(241,073)	(675,729)
Cash Payments for Employee Benefits	(156,666)	0	(1,053)	(39,596)	(197,315)
Cash Received from Other Operating Revenues	0	0	20,419	647,626	668,045
Cash Payments for Other Operating Expenses	0	0	(500)	(145)	(645)
Net Cash Provided by (Used for) Operating Activities	<u>16,883</u>	<u>10,060</u>	<u>(2,807)</u>	<u>72,901</u>	<u>97,037</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Operating Grants Received	54,958	0	5,050	0	60,008
Short-Term Loans from Other Funds	0	0	2,800	0	2,800
Short-Term Loans to Other Funds	0	0	(1,897)	0	(1,897)
Net Cash Provided by Noncapital Financing Activities	<u>54,958</u>	<u>0</u>	<u>5,953</u>	<u>0</u>	<u>60,911</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Acquisition of Capital Assets	(76,897)	0	0	(2,162)	(79,059)
Net Cash (Used for) Capital and Related Financing Activities	<u>(76,897)</u>	<u>0</u>	<u>0</u>	<u>(2,162)</u>	<u>(79,059)</u>
<u>Cash Flows from Investing Activities</u>					
Interest on Investment	13,966	0	0	0	13,966
Net Cash Provided by Investing Activities	<u>13,966</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,966</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,910	10,060	3,146	70,739	92,855
Cash and Cash Equivalents at Beginning of Year	254,967	77,491	53,221	137,035	522,714
Cash and Cash Equivalents at End of Year	<u>263,877</u>	<u>87,551</u>	<u>56,367</u>	<u>207,774</u>	<u>615,569</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	(43,193)	25,464	23,199	83,899	89,369
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	20,311	0	2,440	499	23,250
Donated Commodities Used During Year	43,044	0	0	0	43,044
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	0	0	(12,300)	0	(12,300)
(Increase)/Decrease in Inventory Held for Resale	219	4,254	0	0	4,473
(Increase)/Decrease in Materials and Supplies Inventory	1,205	0	0	0	1,205
Increase/(Decrease) in Accounts Payable	(3,878)	(19,658)	(2,467)	6,601	(19,402)
Increase/(Decrease) in Accrued Wages	(989)	0	(15,093)	(19,229)	(35,311)
Increase/(Decrease) in Compensated Absences Payable	(1,969)	0	0	(2,939)	(4,908)
Increase/(Decrease) in Intergovernmental Payable	2,133	0	1,414	4,070	7,617
Total Adjustments	<u>60,076</u>	<u>(15,404)</u>	<u>(26,006)</u>	<u>(10,998)</u>	<u>7,668</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$16,883</u>	<u>\$10,060</u>	<u>(\$2,807)</u>	<u>\$72,901</u>	<u>\$97,037</u>

Internal Service Funds

Intradistrict - An internal service fund to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis. The District acts as the fiscal agent for the district program.

Self-Insurance - A fund provided to account for monies received from other funds as payment for providing medical, hospitalization, dental, life or other similar employee health benefits. The self-insurance fund may make payments for services provided to employees, for reimbursements to employees who have paid providers, to third party administrators for claim payments or administration, for stop-loss coverage, or any other reinsurance or other similar purpose.

Computer Library - State funds used to set up a computer network for the library and media center.

**Hudson City School District
Combining Balance Sheet
All Internal Service Funds
June 30, 2000**

	<u>Intradistrict</u>	<u>Self- Insurance</u>	<u>Computer Library</u>	<u>Totals</u>
<u>Assets</u>				
Current Assets:				
Equity in Pooled Cash and Investments	\$65,031	\$1,143,547	\$350	\$1,208,928
Receivables:				
Accounts	<u>0</u>	<u>293</u>	<u>0</u>	<u>293</u>
Total Assets	<u><u>\$65,031</u></u>	<u><u>\$1,143,840</u></u>	<u><u>\$350</u></u>	<u><u>\$1,209,221</u></u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities</u>				
Claims Payable	<u>\$0</u>	<u>\$450,714</u>	<u>\$0</u>	<u>\$450,714</u>
Total Liabilities	<u>0</u>	<u>450,714</u>	<u>0</u>	<u>450,714</u>
<u>Fund Equity</u>				
Retained Earnings:				
Unreserved	<u>65,031</u>	<u>693,126</u>	<u>350</u>	<u>758,507</u>
Total Fund Equity	<u>65,031</u>	<u>693,126</u>	<u>350</u>	<u>758,507</u>
Total Liabilities and Fund Equity	<u><u>\$65,031</u></u>	<u><u>\$1,143,840</u></u>	<u><u>\$350</u></u>	<u><u>\$1,209,221</u></u>

Hudson City School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	Intradistrict	Self- Insurance	Computer Library	Totals
<u>Operating Revenues</u>				
Charges for Services	\$0	\$3,324,443	\$0	\$3,324,443
Total Operating Revenues	0	3,324,443	0	3,324,443
<u>Operating Expenses</u>				
Salaries	0	34,388	0	34,388
Fringe Benefits	0	2,566	0	2,566
Purchased Services	0	360,618	0	360,618
Claims	0	2,697,919	0	2,697,919
Total Operating Expenses	0	3,095,491	0	3,095,491
Operating Income	0	228,952	0	228,952
<u>Non-Operating Revenues</u>				
Interest	0	52,990	0	52,990
Total Non-Operating Revenues	0	52,990	0	52,990
Net Income	0	281,942	0	281,942
Retained Earnings at Beginning of Year	65,031	411,184	350	476,565
Retained Earnings at End of Year	<u>\$65,031</u>	<u>\$693,126</u>	<u>\$350</u>	<u>\$758,507</u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Intradistrict
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenses</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity at Beginning of Year	<u>65,031</u>	<u>65,031</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$65,031</u></u>	<u><u>\$65,031</u></u>	<u><u>\$0</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Self-Insurance
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$52,990	\$52,990	\$0
Other Revenues	3,303,583	3,303,583	0
Refund of Prior Year Expense	20,870	20,870	0
Total Revenues	<u>3,377,443</u>	<u>3,377,443</u>	<u>0</u>
<u>Expenses</u>			
Salaries	34,388	34,388	0
Fringe Benefits	8,560	4,220	4,340
Purchased Services	750,200	360,618	389,582
Other	2,720,347	2,719,174	1,173
Refund of Prior Year Revenue	10,640	10,635	5
Total Expenses	<u>3,524,135</u>	<u>3,129,035</u>	<u>395,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(146,692)	248,408	395,100
Fund Equity at Beginning of Year	891,239	891,239	0
Prior Year Encumbrances Appropriated	2,300	2,300	0
Fund Equity at End of Year	<u>\$746,847</u>	<u>\$1,141,947</u>	<u>\$395,100</u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
Computer Library
For the Fiscal Year Ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenses</u>			
Materials and Supplies	<u>350</u>	<u>335</u>	<u>15</u>
Total Expenses	<u>350</u>	<u>335</u>	<u>15</u>
(Deficiency) of Revenues (Under) Expenses	<u>(350)</u>	<u>(335)</u>	<u>15</u>
Fund Equity at Beginning of Year	<u>350</u>	<u>350</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$15</u></u>	<u><u>\$15</u></u>

Hudson City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Budget Basis)
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$52,990	\$52,990	\$0
Other Revenues	3,303,583	3,303,583	0
Refund of Prior Year Expense	20,870	20,870	0
Total Revenues	<u>3,377,443</u>	<u>3,377,443</u>	<u>0</u>
<u>Expenses</u>			
Salaries	34,388	34,388	0
Fringe Benefits	8,560	4,220	4,340
Purchased Services	750,200	360,618	389,582
Materials and Supplies	350	335	15
Other:	2,720,347	2,719,174	1,173
Refund of Prior Year Revenue	10,640	10,635	5
Total Expenses	<u>3,524,485</u>	<u>3,129,370</u>	<u>395,115</u>
Excess (Deficiency) of Revenue Over (Under) Expenses	(147,042)	248,073	395,115
Fund Equity at Beginning of Year	956,620	956,620	0
Prior Year Encumbrances Appropriated	2,300	2,300	0
Fund Equity at End of Year	<u><u>\$811,878</u></u>	<u><u>\$1,206,993</u></u>	<u><u>\$395,115</u></u>

Hudson City School District
Combining Statement of Cash Flows
All Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	<u>Intradistrict</u>	<u>Self- Insurance</u>	<u>Computer Library</u>
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$0	\$3,324,443	\$0
Cash Payments to Suppliers for Goods and Services	0	(360,618)	0
Cash Payments to Employees for Services	0	(34,388)	0
Cash Payments for Employee Benefits	0	(2,620)	0
Cash Payments for Claims	0	(2,729,799)	0
Net Cash Provided by (Used for) Operating Activities	<u>0</u>	<u>197,018</u>	<u>0</u>
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	<u>0</u>	<u>52,990</u>	<u>0</u>
Net Cash Provided by Investing Activities	<u>0</u>	<u>52,990</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	0	250,008	0
Cash and Cash Equivalents at Beginning of Year	<u>65,031</u>	<u>893,539</u>	<u>350</u>
Cash and Cash Equivalents at End of Year	<u><u>65,031</u></u>	<u><u>1,143,547</u></u>	<u><u>350</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Operating Income (Loss)	<u>0</u>	<u>228,952</u>	<u>0</u>
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	0	7,701	0
Increase/(Decrease) in Intergovernmental Payable	0	(54)	0
Increase/(Decrease) in Claims Payable	<u>0</u>	<u>(39,581)</u>	<u>0</u>
Total Adjustments	<u>0</u>	<u>(31,934)</u>	<u>0</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$0</u>	<u>\$197,018</u>	<u>\$0</u>

Totals

\$3,324,443
(360,618)
(34,388)
(2,620)

(2,729,799)

197,018

52,990

52,990

250,008

958,920

1,208,928

228,952

7,701
(54)

(39,581)

(31,934)

\$197,018

Trust and Agency Fund Types

Expendable Trust Fund:

Special Trust - This fund accounts for revenues to support scholarships and curriculum improvements.

Nonexpendable Trust Fund:

Enoch Clark - This fund accounts for money set aside as an investment for public school purposes. The income from the fund may be expended, but principal must remain intact.

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 Compact for which the District is the fiscal agent

**Hudson City School District
Combining Balance Sheet
All Trusts and Agency Funds
June 30, 2000**

	Expendable	Nonexpendable	Agency Funds		Totals
	Trust Fund	Trust Fund	Student	Six District	
	Special	Enoch	Activities	Educational	
	Trust	Clark		Compact	
<u>Assets</u>					
Equity in Pooled Cash and Investments	\$10,686	\$0	\$56,282	\$22,227	\$89,195
Cash and Cash Equivalents					
Nonexpendable Trust Fund	0	237	0	0	237
Total Assets	<u>\$10,686</u>	<u>\$237</u>	<u>\$56,282</u>	<u>\$22,227</u>	<u>\$89,432</u>
<u>Liabilities</u>					
Accounts Payable	\$0	\$0	\$7,328	\$577	\$7,905
Accrued Wages	0	0	0	1,618	1,618
Compensated Absences Payable	0	0	0	15,158	15,158
Intergovernmental Payable	0	0	0	2,611	2,611
Due to Students	0	0	48,954	0	48,954
Undistributed Monies	0	0	0	2,263	2,263
Total Liabilities	<u>0</u>	<u>0</u>	<u>56,282</u>	<u>22,227</u>	<u>78,509</u>
<u>Fund Equity</u>					
Fund Balance:					
Reserved for Encumbrances	1,729	0	0	0	1,729
Reserved for Endowments	0	200	0	0	200
Unreserved:					
Undesignated	8,957	37	0	0	8,994
Total Fund Equity	<u>10,686</u>	<u>237</u>	<u>0</u>	<u>0</u>	<u>10,923</u>
Total Liabilities and Fund Equity	<u>\$10,686</u>	<u>\$237</u>	<u>\$56,282</u>	<u>\$22,227</u>	<u>\$89,432</u>

Hudson City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2000

	Balance 06/30/1999	Additions	Reductions	Balance 06/30/2000
Student Activities				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$58,857	\$59,287	\$61,862	\$56,282
Total Assets	<u>58,857</u>	<u>59,287</u>	<u>61,862</u>	<u>56,282</u>
<u>Liabilities</u>				
Accounts Payable	442	7,328	442	7,328
Due to Students	58,415	51,959	61,420	48,954
Total Liabilities	<u>\$58,857</u>	<u>\$59,287</u>	<u>\$61,862</u>	<u>\$56,282</u>

Six District Educational Compact

<u>Assets</u>				
Equity in Pooled Cash and Investments	\$55,160	\$115,563	\$148,496	\$22,227
Receivables				
Accounts	5,281	0	5,281	0
Total Assets	<u>\$60,441</u>	<u>\$115,563</u>	<u>\$153,777</u>	<u>\$22,227</u>
<u>Liabilities</u>				
Accounts Payable	\$1,187	\$577	\$1,187	\$577
Accrued Wages	5,050	1,618	5,050	1,618
Compensated Absences Payable	17,586	0	2,428	15,158
Intergovernmental Payable	2,227	2,611	2,227	2,611
Undistributed Monies	34,391	110,757	142,885	2,263
Total Liabilities	<u>\$60,441</u>	<u>\$115,563</u>	<u>\$153,777</u>	<u>\$22,227</u>

General Fixed Asset Account Group

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds. (The majority of the District's assets are reflected here.)

Hudson City School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2000

	General Fixed Assets 06/30/1999	Additions	Reductions	General Fixed Assets 06/30/2000
Instruction	\$56,712,027	\$1,411,438	(\$119,336)	\$58,004,129
Support Services:				
Pupil Support	120,051	20,043	0	140,094
Instructional Support	834,826	33,373	(24,572)	843,627
Administration	394,726	680	(2,282)	393,124
Fiscal	68,138	5,872	0	74,010
Business	17,746	0	0	17,746
Operation and Maintenance of Plant Services	2,150,047	764,284	(76,670)	2,837,661
Pupil Transportation	2,316,648	139,482	0	2,456,130
Support Services	0	6,481	0	6,481
Operation of Non-Instructional Services	10,072	0	0	10,072
Extracurricular Activities	70,875	28,288	0	99,163
Total General Fixed Assets	<u>\$62,695,156</u>	<u>\$2,409,941</u>	<u>(\$222,860)</u>	<u>\$64,882,237</u>

Hudson City School District
Schedule of General Fixed Assets
By Source
June 30, 2000

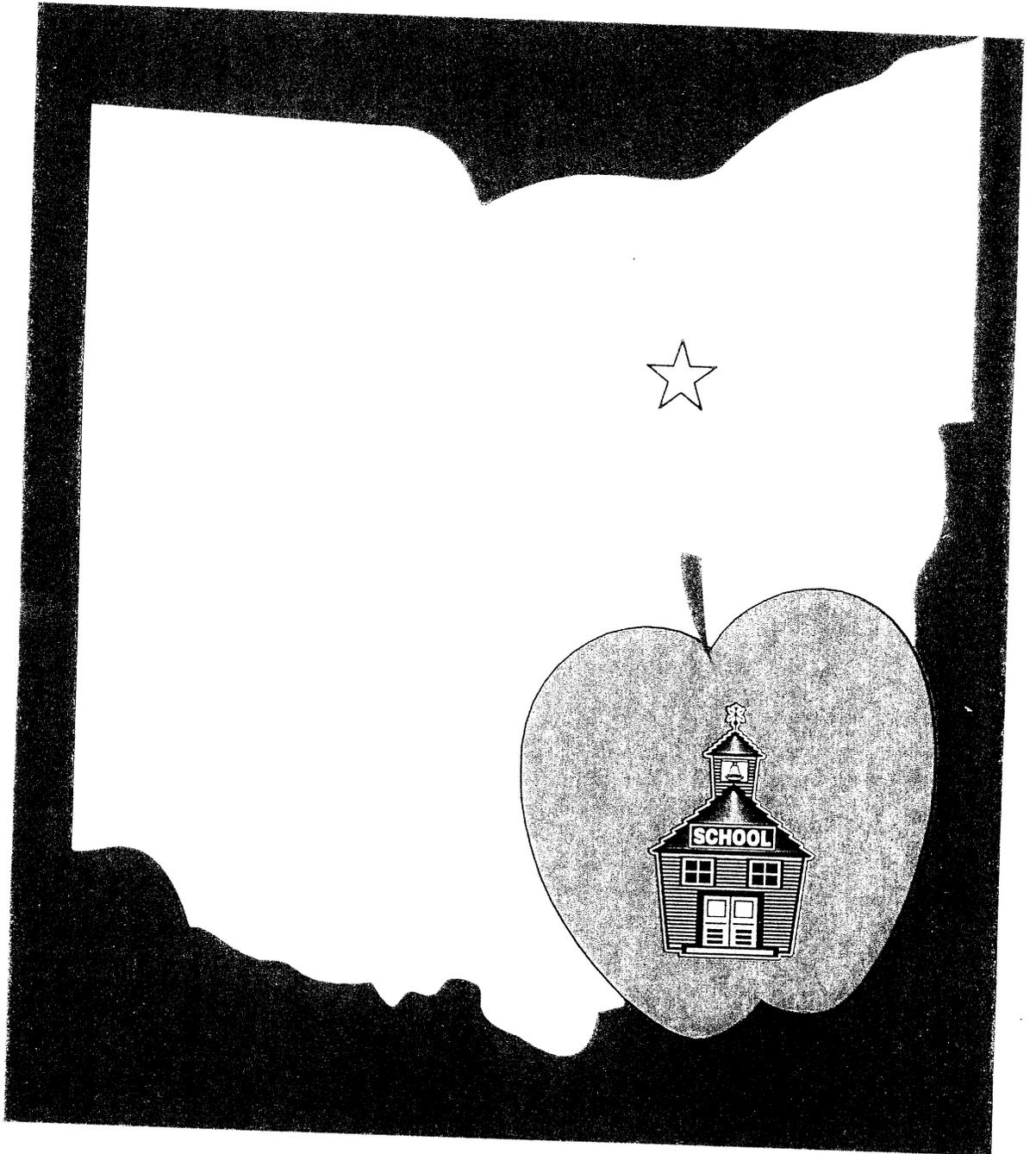
General Fixed Assets

Land	\$2,482,541
Buildings and Improvements	43,615,637
Furniture and Equipment	15,380,157
Textbooks	<u>3,403,902</u>
Total General Fixed Assets	<u><u>\$64,882,237</u></u>

Investments in General Fixed Assets

Balance Prior to 2000	\$62,695,156
Acquisitions During 2000:	
General Fund	1,678,530
Special Revenue	113,486
Capital Projects	617,925
Disposals During 2000	<u>(222,860)</u>
Total Investments in General Fixed Assets	<u><u>\$64,882,237</u></u>

STATISTICAL



**Hudson City School District
General Fund
Revenues by Source
Last Ten Fiscal Years**

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Taxes	\$27,735,966	\$25,655,233	\$24,113,198	\$23,257,271	\$21,614,202	\$22,882,703	\$16,699,074	\$17,082,398	\$15,100,213	\$16,611,329
Intergovernmental	10,932,739	9,430,686	8,390,748	8,065,847	8,201,494	7,472,978	7,014,656	6,632,721	6,199,742	6,064,372
Interest	748,751	690,662	770,579	617,655	504,660	326,911	193,391	18,029	133,551	237,384
Tuition and Fees	36,414	27,772	5,632	0	1,162	4,342	4,325	13,897	12,675	10,135
Miscellaneous	58,004	75,539	243,052	41,061	35,439	55,480	823,401	87,219	51,772	24,246
Total	\$39,511,874	\$35,879,892	\$33,523,209	\$31,981,834	\$30,356,957	\$30,742,414	\$24,734,847	\$23,834,264	\$21,497,953	\$22,947,466

Source: School District Financial Records

**Hudson City School District
General Fund
Expenditures by Function
Last Ten Fiscal Years**

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Current:										
Instruction: (1)										
Regular	\$19,521,730	\$18,388,031	\$16,421,033	\$15,179,369	\$17,704,733	\$16,569,627	\$15,658,997	\$14,342,754	\$13,422,906	\$11,778,704
Special	2,791,459	2,429,968	2,147,271	2,240,310						
Vocational	245,733	268,529	274,247	276,768						
Other	469,249	319,649	250,554	674,792						
Support Services:										
Pupils	2,147,214	2,079,950	1,969,795	1,742,604	1,612,974	1,331,443	1,337,217	1,161,321	1,033,090	
Instructional Staff	2,303,815	2,111,379	1,687,631	1,609,138	1,504,269	1,443,549	1,307,068	1,167,775	1,009,566	891,000
Board of Education	51,617	47,648	453,348	53,721	19,629	31,614	19,533	25,346	17,629	13,329
Administration	3,047,810	2,770,697	2,500,297	1,981,103	1,901,711	1,679,069	1,574,185	1,605,486	1,234,439	1,192,878
Fiscal	891,279	879,546	788,868	742,788	486,556	644,612	575,079	565,165	491,495	1,436,019
Business	345,188	256,249	957,208	1,244,063	201,579	178,779	213,778	184,877	240,291	323,638
Operation and Maintenance										
of Plant	3,808,437	3,414,447	3,108,362	2,843,994	3,000,095	2,722,160	2,929,649	2,843,977	2,255,332	2,106,149
Pupil Transportation	2,298,955	2,446,861	2,393,025	1,703,668	1,424,791	1,462,512	1,743,428	1,457,475	876,009	928,636
Central	266,482	195,795	115,640	102,794	87,216	49,825	43,812	44,091	47,638	42,712
Extracurricular Activities	519,485	484,052	416,895	389,151	373,693	342,218	347,531	360,545	315,438	255,805
Capital Outlay	127,370	58,876								177
Debt Service:										
Principal										6,678
Interest										387
Total	\$38,835,823	\$36,151,677	\$33,484,174	\$30,784,263	\$38,317,246	\$26,455,408	\$25,750,277	\$23,758,812	\$20,943,833	\$18,976,112

Source: School District Financial Records

(1) A breakdown of instruction was not available prior to fiscal year 1997.

**Hudson City School District
Property Tax Levies and Collections
Real and Public Utility Taxes (1)
Last Ten Calendar Years**

Year (2)	Current Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Levy
1999	\$34,699,903	\$33,583,292	96.8%	\$1,025,807	\$34,609,099	99.7%	\$1,506,282	4.3%
1998	29,689,039	28,533,435	96.1%	721,169	29,254,604	98.5%	1,632,424	5.5%
1997	29,561,314	28,808,054	97.5%	686,001	29,494,055	99.8%	1,163,164	3.9%
1996	29,108,656	28,517,648	98.0%	705,577	29,223,225	100.4%	1,030,397	3.5%
1995	28,032,062	27,337,542	97.5%	815,571	28,153,113	100.4%	1,191,059	4.2%
1994	23,139,133	22,378,712	96.7%	711,613	23,090,325	99.8%	1,121,744	4.8%
1993	22,869,547	21,967,541	96.1%	717,566	22,685,107	99.2%	1,719,959	7.5%
1992	20,538,142	19,780,053	96.3%	651,493	20,431,546	99.5%	1,515,055	7.4%
1991	17,388,084	16,255,525	93.5%	605,547	16,861,072	97.0%	2,069,124	11.9%
1990	13,577,315	12,855,254	94.7%	952,124	13,807,378	101.7%	1,190,671	8.8%

Source: Summit County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

**Hudson City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years**

Year	Agricultural and Residential Real Estate		Other Real Estate		Public Utility Personal		Tangible Personal		Total Assessed Value (1)		Estimated Actual Value		Ratio
	Real Estate	Real Estate	Real Estate	Real Estate	Personal	Personal	Personal	Personal	Value (1)	Value (1)	Value	Value	
2000	\$595,912,690	\$88,834,060	\$88,834,060	\$88,834,060	\$20,796,730	\$20,796,730	\$53,202,433	\$53,202,433	\$758,745,913	\$758,745,913	\$2,192,861,665	\$2,192,861,665	35%
1999	565,688,580	83,105,800	83,105,800	83,105,800	21,325,230	21,325,230	54,397,655	54,397,655	724,517,265	724,517,265	2,092,614,079	2,092,614,079	35%
1998	553,056,210	84,450,720	84,450,720	84,450,720	20,935,380	20,935,380	55,260,291	55,260,291	713,702,601	713,702,601	2,063,424,915	2,063,424,915	35%
1997	539,794,760	78,755,000	78,755,000	78,755,000	22,172,180	22,172,180	55,260,291	55,260,291	695,982,231	695,982,231	2,010,498,373	2,010,498,373	35%
1996	453,508,940	72,163,940	72,163,940	72,163,940	24,066,610	24,066,610	53,207,816	53,207,816	602,947,306	602,947,306	1,738,820,388	1,738,820,388	35%
1995	432,408,720	71,912,150	71,912,150	71,912,150	27,350,960	27,350,960	47,775,793	47,775,793	579,447,623	579,447,623	1,659,370,903	1,659,370,903	35%
1994	411,744,620	80,543,250	80,543,250	80,543,250	23,553,940	23,553,940	40,588,997	40,588,997	556,430,807	556,430,807	1,592,446,699	1,592,446,699	35%
1993	367,418,640	73,042,190	73,042,190	73,042,190	22,540,290	22,540,290	40,516,445	40,516,445	503,517,565	503,517,565	1,443,065,584	1,443,065,584	35%
1992	344,975,120	67,680,260	67,680,260	67,680,260	21,077,200	21,077,200	39,994,183	39,994,183	473,726,763	473,726,763	1,353,916,352	1,353,916,352	35%
1991	320,101,850	69,683,740	69,683,740	69,683,740	19,291,890	19,291,890	35,738,889	35,738,889	444,816,369	444,816,369	1,265,331,260	1,265,331,260	35%

Source: Summit County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) This amount is calculated based on the following percentages:

Real Estate is assessed at 35 percent of actual value

Public utility personal is assessed at 88 percent of actual value, prior to 1991 it was assessed at 100 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value for 1995, 1996, 1997, 1998 and 1999.

Hudson City School District
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 Assessed Valuation)
Last Ten Calendar Years

Year		School Levy	County Levy	City/Village Township	Valley Fire District	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
2000	Boston Township	\$76.13	\$12.27	\$8.48	\$6.50	\$103.38	\$3.60	\$0.36	\$0.00	\$3.96
	Boston Heights Village	76.13	12.27	7.35	0.00	95.75	3.60	0.36	0.00	3.96
	Hudson City	76.13	12.27	9.15	0.00	97.55	3.60	0.36	2.40	6.36
	Cuyahoga Falls City	76.13	12.27	11.00	0.00	99.40	3.60	0.36	0.00	3.96
1999	Boston Township	76.13	12.27	8.48	6.50	103.38	3.40	0.45	0.00	3.85
	Boston Heights Village	76.13	12.27	8.10	0.00	96.50	3.40	0.45	0.00	3.85
	Hudson City	76.13	12.27	8.39	0.00	96.79	3.40	0.45	1.72	5.57
	Cuyahoga Falls City	76.13	12.27	11.00	0.00	99.40	3.40	0.45	0.00	3.85
1998	Boston Township	70.13	11.65	8.48	6.50	96.76	2.90	0.45	0.00	3.35
	Boston Heights Village	70.13	11.65	8.10	0.00	89.88	2.90	0.45	0.00	3.35
	Hudson City	70.13	11.65	7.82	0.00	89.60	2.90	0.45	1.15	4.50
	Cuyahoga Falls City	70.13	11.65	12.00	0.00	93.78	2.90	0.45	0.00	3.35
1997	Boston Township	70.73	11.39	8.48	8.00	98.60	3.50	0.49	0.00	3.99
	Boston Heights Village	70.73	11.39	8.10	0.00	90.22	3.50	0.49	0.00	3.99
	Hudson City	70.73	11.39	7.03	0.00	89.15	3.50	0.49	0.36	4.35
	Cuyahoga Falls City	70.73	11.39	12.00	0.00	94.12	3.50	0.49	0.00	3.99
1996	Boston Township	72.23	13.99	1.48	5.50	93.20	5.00	0.60	0.00	5.60
	Boston Heights Village	72.23	13.99	8.10	0.00	94.32	5.00	0.60	0.00	5.60
	Hudson City	72.23	13.99	7.11	0.00	93.33	5.00	0.60	0.44	6.04
	Cuyahoga Falls City	72.23	13.99	12.00	0.00	98.22	5.00	0.60	0.00	5.60
1995	Boston Township	72.24	14.16	1.48	5.50	93.38	5.01	0.90	0.00	5.91
	Boston Heights Village	72.24	14.16	8.10	0.00	94.50	5.01	0.90	0.00	5.91
	Hudson City	72.24	14.16	7.11	0.00	93.51	5.01	0.90	0.44	6.35
	Cuyahoga Falls City	72.24	14.16	12.00	0.00	98.40	5.01	0.90	0.00	5.91
1994	Boston Township	66.15	12.31	1.48	5.50	85.44	4.42	0.67	0.00	5.09
	Boston Heights Village	66.15	12.31	5.60	0.00	84.06	4.42	0.67	0.00	5.09
	Hudson Township	66.15	12.31	12.45	0.00	90.91	4.42	0.67	0.20	5.29
	Cuyahoga Falls City	66.15	12.31	12.00	0.00	90.46	4.42	0.67	0.00	5.09
	Hudson Village/Township	66.15	12.31	6.87	0.00	85.33	4.42	0.67	0.20	5.29
1993	Boston Township	66.65	12.59	1.48	5.50	86.22	4.92	0.69	0.00	5.61
	Boston Heights Village	66.65	12.59	5.60	0.00	84.84	4.92	0.69	0.00	5.61
	Hudson City	66.65	12.59	12.30	0.00	91.54	4.92	0.69	0.55	6.16
	Cuyahoga Falls City	66.65	12.59	12.00	0.00	91.24	4.92	0.69	0.00	5.61
	Hudson Village/Township	66.65	12.59	6.81	0.00	86.05	4.92	0.69	0.64	6.25
1992	Boston Township	64.77	12.59	1.48	4.50	83.34	6.04	0.42	0.00	6.46
	Boston Heights Village	64.77	12.59	5.60	0.00	82.96	6.04	0.42	0.00	6.46
	Hudson City	64.77	12.59	12.37	0.00	89.73	6.04	0.42	0.60	7.06
	Cuyahoga Falls City	64.77	12.59	12.00	0.00	89.36	6.04	0.42	0.00	6.46
	Hudson Village/Township	64.77	12.59	6.89	0.00	84.25	6.04	0.42	0.72	7.18
1991	Boston Township	60.36	12.59	1.48	4.50	78.93	4.65	0.61	0.00	5.26
	Boston Heights Village	60.36	12.59	5.60	0.00	78.55	4.65	0.61	0.00	5.26
	Hudson Township	60.36	12.59	12.04	0.00	84.99	4.65	0.61	0.29	5.55
	Hudson Village/Twp	60.36	12.59	6.54	0.00	79.49	4.65	0.61	0.37	5.63
	Cuyahoga Falls City	60.36	12.59	12.00	0.00	84.95	4.65	0.61	0.00	5.26

Source: Summit County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

**Hudson City School District
 Computation of Legal Debt Margin
 June 30, 2000**

Assessed Valuation (2000)	<u>\$758,745,913</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>\$68,287,132</u>
Outstanding Debt:	
General Obligation Bonded Debt	17,353,914
Energy Conservation Loan	100,000
Less: Amount Available in Debt Service Fund	<u>1,198,262</u>
Total Outstanding Debt	<u>16,255,652</u>
Less Exemptions:	
Energy Conservation Bonded Debt	1,364,034
Energy Conservation Loan	<u>100,000</u>
Total Exemptions	<u>1,464,034</u>
Amount of Debt Applicable to Debt Limit	<u>14,791,618</u>
<i>Voted Debt Margin</i>	<u><u>\$53,495,514</u></u>
Bonded Debt Limit - .10% of Assessed Value (1)	\$758,746
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u><u>\$758,746</u></u>

Source: Summit County Auditor and School District Financial Records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

**Hudson City School District
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

Year	Gross Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Assessed Valuation	Population (2)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
2000	\$17,353,914	\$1,198,262	\$16,155,652	\$758,745,913	22,139	2.13%	\$730
1999	19,288,729	1,098,259	18,190,470	724,517,265	21,839	2.51%	833
1998	21,136,880	1,354,025	19,782,855	713,702,601	21,541	2.77%	918
1997	22,771,880	1,627,737	21,144,143	695,982,231	21,247	3.04%	995
1996	22,674,880	1,404,045	21,270,835	602,947,306	20,873	3.53%	1,019
1995	24,049,880	1,819,471	22,230,409	579,447,623	19,535	3.84%	1,138
1994	25,319,880	1,969,797	23,350,083	556,430,807	19,322	4.20%	1,208
1993	26,994,880	2,069,774	24,925,106	503,517,565	19,109	4.95%	1,304
1992	27,280,000	1,266,563	26,013,437	473,726,763	18,896	5.49%	1,377
1991	27,595,000	742,209	26,852,791	444,816,369	18,683	6.04%	1,437

Source: Summit County Auditor and School District Financial Records.

(1) No debt is applicable to enterprise funds.

(2) Estimated by City of Hudson.

Hudson City School District
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
2000	\$1,934,815	\$798,199	\$2,733,014	\$38,835,823	7.04%
1999	1,848,151	885,790	2,733,941	36,151,677	7.56%
1998	1,635,000	878,693	2,513,693	33,484,174	7.51%
1997	1,530,000	944,880	2,474,880	30,784,263	8.04%
1996	1,375,000	1,001,220	2,376,220	28,317,246	8.39%
1995	1,270,000	1,047,460	2,317,460	26,455,408	8.76%
1994	3,305,000	2,162,720	5,467,720	25,750,277	21.23%
1993	45,000	1,362,596	1,407,596	23,758,812	5.92%
1992	475,000	1,985,992	2,460,992	20,943,833	11.75%
1991	315,000	1,803,054	2,118,054	18,976,112	11.16%

Source: School District Financial Records

**Hudson City School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 1999**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Hudson City School District	\$17,353,914	100.00%	\$17,353,914
City of Hudson	12,140,000	100.00%	12,140,000
Summit County	127,348,183	7.40%	9,423,766
Metro Transit	1,975,000	7.40%	146,150
City of Cuyahoga Falls	<u>20,483,000</u>	0.39%	<u>79,884</u>
Total	<u><u>\$179,300,097</u></u>		<u><u>\$39,143,714</u></u>

Source: Summit County Auditor and City of Hudson Finance Department - Data is presented on a calendar year basis (including School District) because that is the manner in which the information is maintained by both the County Auditor and the City Finance Department.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 1999 collection year.

**Hudson City School District
Demographic Statistics
Last Ten Calendar Years**

Year	Population (1)	Building Permits (1)(2)	Average Family Income	State Rank	Median Family Income	State Rank
1999	22,139	100	*	*	*	*
1998	21,839	99	\$95,897	10	\$58,191	2
1997	21,247	100	97,195	7	54,175	2
1996	20,873	100	89,602	9	50,516	2
1995	19,535	110	77,279	9	48,281	1
1994	19,322	122	73,953	9	46,574	2
1993	19,109	357	71,936	11	45,102	2
1992	18,896	231	71,291	9	*	*
1991	18,683	217	62,000	11	*	*
1990	17,125	271	63,855	9	*	*

Source: Information in this table was provided by the City of Hudson Development Department and Taxation Department of the State of Ohio

(1) Estimated by the City of Hudson Community Development Department for City of Hudson Only.
Estimates for other communities were not available. 1992 and 1993 were estimated by the School District.
1990 estimated population provided by the U.S. Census Bureau.

(2) Growth development plan limits building permits to 100 per year beginning in 1996.

* Information not available

**Hudson City School District
Property Value, Construction and Financial Institution Deposits
Last Ten Years**

Year	Real Property Value (1)			New Construction (1)			Financial Institution Deposits (2)
	Agriculture Residential	Commercial Industrial	Tax Exempt	Agriculture Residential (3)	Commercial Industrial (3)	Total	
2000	\$1,702,607,686	\$253,811,600	\$62,233,530	\$10,949,710	\$3,083,480	\$14,033,190	\$7,836,388,000
1999	1,616,253,086	237,445,143	61,188,040	13,298,060	2,932,940	16,231,000	6,858,863,000
1998	1,580,160,600	241,287,771	61,188,040	11,534,623	5,437,450	16,972,073	5,749,282,000
1997	1,542,270,743	225,014,286	55,948,300	14,402,110	3,657,480	18,059,590	3,344,418,000
1996	1,295,739,829	206,182,686	55,948,320	19,850,920	1,804,700	21,655,620	4,353,857,000
1995	1,235,453,486	205,463,286	53,691,800	19,249,510	1,206,780	20,456,290	4,267,009,000
1994	1,176,413,200	230,123,571	56,497,470	15,264,750	4,563,530	19,828,280	4,199,905,000
1993	1,049,767,543	208,691,971	46,327,260	17,658,820	2,561,530	20,220,350	3,828,264,000
1992	985,643,200	193,372,171	44,001,010	23,441,260	5,669,990	29,111,250	3,797,432,000
1991	914,576,714	199,096,400	40,556,680	18,461,260	8,756,110	27,217,370	3,610,033,000

Source:

- (1) City of Hudson Engineering Department
- (2) Commercial bank deposits in Summit County as of December 31 except 2000 which is as of June 30. Source is Federal Reserve Bank of Cleveland. Decline in deposits from 1997 to 1998 is the result of bank mergers where the deposits are reported in other areas.
- (3) Summit County Auditor - DTE 93

Data is presented on a calendar year basis because that is the manner in which the information is maintained by the City and Summit County

**Hudson City School District
Principal Taxpayers
Real Estate Tax
June 30, 2000**

Name of Taxpayer	Assessed Value (1)		Percent of Real Assessed Value
Western Reserve Telephone	\$10,839,210	(2)	1.54%
Allstate Insurance	7,235,640		1.03%
Little Tikes	6,420,070		0.91%
Ohio Edison Company	5,141,220	(2)	0.73%
Jagi Cleveland-Hudson LLC	3,718,340		0.53%
Jo-Ann Stores, Inc.	3,290,790		0.47%
Title Guarantee & Trust - Trustee	2,244,910		0.32%
Flood Company	2,111,520		0.30%
East Ohio Gas Company	1,920,580	(2)	0.27%
Georgetown Development	1,658,370		0.24%
Alltel Service Company	1,569,680		0.22%
Albrecht Inc.	1,502,000		0.21%
MCI	1,447,910	(2)	0.21%
Lake Forest Country Club	1,369,320		0.19%
Country Club of Hudson	1,349,270		0.19%
Kobelco Stewart Bolling	1,304,100		0.18%
Hudson Drive Properties	1,191,510		0.17%
Vill of Hudson - Mohawk (Alltel)	<u>1,135,660</u>		<u>0.16%</u>
<i>Total</i>	<u>\$55,450,100</u>		<u>7.86%</u>
 <i>Total Real Assessed Value</i>	 <u>\$705,543,480</u>		

Source: Summit County Auditor

(1) Assessed values are for 2000.

(2) Includes personal property.

**Hudson City School District
Principal Taxpayers
Tangible Personal Property Tax
June 30, 2000**

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Assessed Value
Newell, Inc.	\$10,519,090	19.77%
IBM Credit Corporation	5,663,820	10.65%
T.E. Clarke Ford, Inc.	4,642,820	8.73%
Caliber Logistics, Inc.	3,275,340	6.16%
Kobelco Stewart Bolling	2,372,550	4.46%
Swagelok Quick Connect	2,199,730	4.13%
Morse Controls Division of IMO Industries	2,194,100	4.12%
Ramco Specialties	1,286,190	2.42%
Alltel Corporation	1,172,120	2.20%
Flood Company	1,022,610	1.92%
<i>Total</i>	<u>\$34,348,370</u>	<u>64.56%</u>
 <i>Total Real Assessed Value</i>	<u>\$53,202,433</u>	

Source: Summit County Auditor

(1) Assessed values are for 2000.

**Hudson City School District
Ten Year Attendance Data**

School Year Ended	Number of Graduates	Average Daily Membership (ADM)	Student Attendance Rate	Full-Time		Full-Time		Attendance	
				Equivalent Certified Staff	Equivalent Support Staff	Equivalent Total Staff	Rate Total Staff		
2000	367	5,172	95.4	411.69	242.00	653.69	97.3		
1999	398	5,240	95.1	403.02	228.32	631.34	97.4		
1998	335	5,140	95.5	381.35	235.13	616.44	97.7		
1997	367	5,155	95.8	371.40	222.39	593.79	97.3		
1996	335	5,097	95.6	354.29	205.59	559.80	97.4		
1995	317	4,902	95.7	337.71	196.08	533.79	97.5		
1994	268	4,734	95.5	326.77	192.95	519.72	97.6		
1993	282	4,591	95.7	303.95	178.28	482.23	97.7		
1992	301	4,503	*	295.31	202.00	497.31	97.7		
1991	296	4,125	*	286.84	160.86	456.00	97.2		

Source: School District Year End Summary Report 1992 - 2000
 School District Data Trend Report 1992 - 1997
 School District Annual Reports
 Staff information for 1991 is actual headcount

* Not available

**Hudson City School District
Ten Year Enrollment History
School Year 1990 - 1991 to School Year 1999 - 2000**

Grade/Year	1990 - 1991	1991 - 1992	1992 - 1993	1993 - 1994	1994 - 1995	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999	1999 - 2000
PS	13	9	12	22	44	42	50	47	43	41
K	347	345	332	402	376	388	385	388	350	370
1	346	388	376	360	439	426	415	408	419	390
2	304	362	413	398	391	435	428	410	399	417
3	341	336	368	421	411	418	444	429	419	407
4	350	360	366	395	447	432	428	437	444	436
5	344	374	389	381	416	458	449	425	451	450
Elementary	2,045	2,174	2,256	2,379	2,524	2,599	2,599	2,544	2,525	2,511
6	363	374	415	402	387	436	465	439	429	451
7	339	392	379	426	415	404	434	460	458	426
8	345	346	408	388	442	417	408	440	454	470
Middle	1,047	1,112	1,202	1,216	1,244	1,257	1,307	1,339	1,341	1,347
9	260	339	351	373	371	431	407	392	428	454
10	267	270	353	362	381	369	409	383	391	407
11	301	287	287	365	349	392	362	425	389	389
12	306	309	296	289	339	349	378	358	427	389
High	1,134	1,205	1,287	1,389	1,440	1,541	1,556	1,558	1,635	1,639
SCEC	10	11	17	18	4	4	6	8	5	6
Total	4,236	4,502	4,762	5,002	5,212	5,401	5,468	5,449	5,506	5,503

Source: School District Student Records

October Reporting Period

**Hudson City School District
 Ten Year Enrollment Projection
 School Year 2000 - 2001 to School Year 2009 - 2010**

Grade/Year	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009	2009 - 2010
PS	47	46	46	46	44	45	44	44	44	44
K	386	386	386	386	386	386	386	386	386	386
1	396	415	415	415	415	415	415	415	415	415
2	386	392	411	411	411	411	411	411	411	411
3	426	394	400	420	420	420	420	420	420	420
4	420	440	407	414	434	434	434	434	434	434
5	446	430	450	416	423	444	444	444	444	444
Elementary	2,507	2,503	2,515	2,508	2,533	2,555	2,554	2,554	2,554	2,554
6	452	448	432	452	418	425	446	446	446	446
7	448	449	445	429	449	415	422	443	443	443
8	431	453	454	450	434	454	420	427	448	448
Middle	1,331	1,350	1,331	1,331	1,301	1,294	1,288	1,316	1,337	1,337
9	457	420	441	442	438	423	442	409	416	416
10	429	432	397	417	418	414	399	418	386	386
11	407	432	435	400	420	421	417	403	421	421
12	388	404	429	432	397	417	418	414	399	401
High	1,681	1,688	1,702	1,691	1,673	1,675	1,676	1,644	1,622	1,624
SCEC	5	6	6	6	7	7	8	8	8	8
Total	5,524	5,547	5,554	5,536	5,514	5,531	5,526	5,522	5,521	5,523

Source: School District Student Records

Based on five years of Enrollment Moderated Ratios

**Hudson City School District
 Cost to Educate a 1999 Graduate
 Hudson Local School District Versus State of Ohio**

School Year Ended	Grade	Hudson Annual per Pupil Cost	State Average
1999	12	\$7,929	\$7,057 *
1998	11	6,966	6,232
1997	10	6,399	5,936
1996	9	5,597	5,466
1995	8	5,428	5,391
1994	7	5,377	5,241
1993	6	5,242	5,024
1992	5	4,789	4,600
1991	4	4,601	4,588
1990	3	4,267	4,475
1989	2	3,960	4,006
1988	1	3,526	3,528
1987	Kindergarten	<u>3,273</u>	<u>3,477</u>
Total Cost		\$67,354	\$65,021

* Preliminary

Source: Cost per Pupil-State of Ohio Department of Education 1987 - 1992.
 School District Profile-State of Ohio Department of Education 1993 - 1999.
 School District Expenditure Flow Model 1997 - 1999.
 School District Data Trend Report 1998 - 1999.

Excludes debt service, capital outlay, community education, non-public and other.

**Hudson City School District
Educational Statistics
Last Five School Years**

	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999	1999 - 2000
Advance Placement Tests					
% of Grades Scoring a 3 or Better Out of 5	81	85	87	86	83
ACT Composite Scores (Averages)					
Hudson High School	24.1	23.8	24.3	23.7	24.7
National	20.9	21.0	20.8	21.0	21.0
SAT Scores (Averages) (1)					
Hudson High School					
Verbal	539	545	541	537	548
Mathematics	566	573	570	562	572
California Test of Basic Skills					
Mean National Percentile					
Grade 3	*	78.2	76.4	78.4	79.7
Grade 5	*	81.8	81.1	82.0	84.4
Grade 7	*	86.2	86.8	87.7	79.5
4th Grade Proficiency Tests (2): (Percent Achieving Proficient Standard)					
Writing	93	87	85	85	94
Reading	94	86	89	80	83
Mathematics	90	68	81	77	71
Citizenship	96	91	94	92	86
Science	*	*	*	74	73
6th Grade Proficiency Tests: (Passing on First Attempt)					
Writing	83	91	96	94	90
Reading	95	93	92	79	77
Mathematics	80	79	77	86	80
Citizenship	90	90	90	93	90
Science	74	67	77	74	79
9th Grade Proficiency Tests: (Passing on First Attempt)					
Writing	65	93	96	98	97
Reading	96	97	97	98	98
Mathematics	87	91	90	93	91
Citizenship	92	91	92	96	95
Science	*	*	88	94	95
12th Grade Proficiency Tests (3): (Percent Achieving Proficient Standard)					
Writing	89	92	96	93	96
Reading	96	97	93	89	90
Mathematics	91	92	88	82	91
Citizenship	89	93	80	81	89
Science	*	*	*	83	91
National Merit Scholarship Program					
Semi-Finalists	6	7	7	7	7
Commended	11	14	10	10	14
Percent of Graduating Seniors	5.07%	5.72%	5.07%	4.27%	5.72%

* Not administered

(1) In 1996, the SAT changed to the SAT I. This change included the recentering of the test and allowing the use of calculators.

(2) 4th grade proficiency standards increased in 1997.

(3) 12th grade proficiency standards increased in 1998.

Source: School District Student Records
EMIS Proficiency Data - Data Trend Report



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HUDSON CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2001**