



OHIO AUDITOR OF STATE
KEITH FABER



HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY
JUNE 30, 2025

TABLE OF CONTENTS

<u>TITLE</u>		<u>PAGE</u>
Prepared by Management:		
Schedule of Expenditures of Federal Awards		1
Notes to the Schedule of Expenditures of Federal Awards		2
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>		5
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....		7
Schedule of Findings.....		11

Attachment: Annual Comprehensive Financial Report

This page intentionally left blank.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025
(Prepared by Management)**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal ALN	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster			
National School Lunch Program - Non-cash Donated Commodities	10.555	\$ -	\$ 143,834
School Breakfast Program	10.553	-	28,325
National School Lunch Program	10.555	-	312,316
Total Child Nutrition Cluster		-	484,475
Total U.S. Department of Agriculture		-	484,475
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Special Education Cluster			
Special Education Grants to States - IDEA Part B	84.027	-	1,519,589
Special Education Grants to States - Parent Mentor	84.027	-	24,274
Special Education IDEA Early Childhood	84.173	-	21,483
Total Special Education Cluster		-	1,565,346
English Language Acquisition Grants - Language Instruction	84.365	-	13,211
Title I-A Grants to Local Education Agencies	84.010A	-	112,005
Carl D. Perkins Grant	84.048	356,337	356,337
Title IV-A Student Support and Academic Enrichment	84.424	-	10,172
Title II-A Supporting Effective Instruction Grant	84.367	-	36,518
ARP Elementary and Secondary School Emergency Relief Funds	84.425U	-	214,448
Total U.S. Department of Education		356,337	2,308,037
Total Expenditures of Federal Awards		\$ 356,337	\$ 2,792,512

The accompanying notes are an integral part of this schedule.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025
(PREPARED BY MANAGEMENT)**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Hudson City School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education and Workforce (DEW) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of federal awards to subrecipients when paid in cash.

As a pass-through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE F – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

Continued

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025
(PREPARED BY MANAGEMENT)

NOTE G – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

Program Title	AL Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010	\$ 3,145
Improving Teacher Quality State Grants	84.367	3,008
Title IV-A Student Support and Academic Enrichment	84.424	5,077
Special Education - Grants to States	84.027	30,065

The District transferred the following amounts from 2025 to 2026 programs:

Program Title	AL Number	Amount Transferred
Title I Grants to Local Educational Agencies	84.010	\$ 6,610
Improving Teacher Quality State Grants	84.367	5,965
Title IV-A Student Support and Academic Enrichment	84.424	8,087
Title III Language Instruction for English Learners	84.365	362

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hudson City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2025. We also noted the District adopted new accounting guidance in *Governmental Accounting Standards Board Statement No. 101, Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Hudson City School District
Summit County
Independent Auditor's Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Required By *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 30, 2025

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Hudson City School District's, Summit County (the District), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Hudson City School District's major federal program for the year ended June 30, 2025. Hudson City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Hudson City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Hudson City School District

Summit County

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over Compliance
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Page 3

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Hudson City School District, Summit County, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 30, 2025. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 30, 2025

This page intentionally left blank.

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	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

This page intentionally left blank.



Hudson City School District

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED JUNE 30, 2025

HUDSON CITY SCHOOL DISTRICT

76 N. HAYDEN PARKWAY, HUDSON, OH 44236

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
HUDSON CITY SCHOOL DISTRICT
FOR THE
FISCAL YEAR ENDED JUNE 30, 2025



Board of Education

Steven DiMauro, President
Alisa Wright, Vice President
Mark Dzurec, Member
Laura Jones, Member
Tom Tobin, Member

PREPARED BY THE OFFICE OF THE TREASURER

Phillip D. Butto IV, Treasurer/CFO

HUDSON CITY SCHOOL DISTRICT

76 N. Hayden Parkway
Hudson, Ohio 44236

THIS PAGE IS INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Table of Contents.....	I 1-3
Letter of Transmittal	I 5-14
Organizational Chart.....	I 15
Certificate of Achievement for Excellence in Financial Reporting	I 16
Certificate of Excellence in Financial Reporting	I 17

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT.....	F 1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	F 5-16
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	F 17
Statement of Activities	F 18-19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	F 20
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	F 21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	F 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F 23
Statement of Net Position - Proprietary Funds	F 24
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	F 25
Statement of Cash Flows - Proprietary Funds	F 26
Statement of Fiduciary Net Position - Fiduciary Funds.....	F 27
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	F 28
Notes to the Basic Financial Statements	F 29-73

REQUIRED SUPPLEMENTARY INFORMATION:

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

General Fund	F 76
--------------------	------

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

School Employees Retirement System (SERS) of Ohio.....	F 77
State Teachers Retirement System (STRS) of Ohio	F 78

Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset)
and District OPEB Contributions:

School Employees Retirement System (SERS) of Ohio.....	F 79
State Teachers Retirement System (STRS) of Ohio	F 80

Notes to the Required Supplementary Information	F 81-87
---	---------

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Fund Descriptions - General Fund	F 89
--	------

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

Rotary	F 90
Public School Support	F 90
Special Trust	F 90

Fund Descriptions - Nonmajor Governmental Funds.....	F 91-92
--	---------

Combining Balance Sheet - Nonmajor Governmental Funds	F 93
---	------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F 94
---	------

Combining Balance Sheet – Nonmajor Special Revenue Funds.....	F 95-97
---	---------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	F 98-100
---	----------

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

Other Grants	F 101
Student Activities	F 101
Athletics and Music	F 101
Auxiliary Services	F 102
Data Communications	F 102
Other State Grants	F 102
Elementary & Secondary School Emergency Relief	F 103
IDEA Part B	F 103
Title III	F 103
Title I	F 104
EHA Preschool Grant	F 104
Supporting Effective Instruction.....	F 104
Student Support and Academic Enrichment.....	F 105
Food Service	F 105
Other Special Revenue	F 105
Debt Service	F 106

Combining Balance Sheet – Nonmajor Capital Projects Funds	F 107
---	-------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	F 108
---	-------

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

Permanent Improvement.....	F 109
Building.....	F 109

Fund Descriptions - Proprietary Funds.....	F 110
--	-------

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

Community Education.....	F 111
Self-Insurance.....	F 111

Fund Descriptions - Fiduciary Funds	F 112
---	-------

III. STATISTICAL SECTION

Table of Contents	S 1
Net Position by Component - Last Ten Fiscal Years	S 2-3
Changes in Net Position - Last Ten Fiscal Years	S 4-9
Fund Balances, Governmental Funds - Last Ten Fiscal Years	S 10-11
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	S 12-13
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	S 14-15
Direct and Overlapping Property Tax Rates – Last Ten Years	S 16
Principal Property Tax Payers – December 31, 2024 and December 31, 2015	S 17
Property Tax Levies and Collections - Last Ten Fiscal Years	S 18-19
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	S 20
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	S 21
Direct and Overlapping Governmental Activities Debt - As of June 30, 2025	S 22
Legal Debt Margin Information - Last Ten Fiscal Years	S 23
Demographic and Economic Statistics - Last Ten Fiscal Years.....	S 24
Principal Employers - December 31, 2024 and December 31, 2015.....	S 25
Staffing Statistics - Full Time Equivalents (FTE) by Type and Function - Last Ten Fiscal Years	S 26
Operating Indicators by Function - Last Ten Fiscal Years	S 27
Capital Asset Statistics - Last Ten Fiscal Years	S 28-29
School Building Information - Last Ten Fiscal Years	S 30-31
Teacher Statistics - As of June 30, 2025	S 32
Operating Statistics - Last Ten Fiscal Years	S 33

THIS PAGE IS INTENTIONALLY LEFT BLANK

Hudson City School District

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



December 30, 2025

Citizens and Board of Education, Hudson City School District:

We are pleased to submit to you the Annual Comprehensive Financial Report of the Hudson City School District (the "District") for the fiscal year ended June 30, 2025. This Annual Comprehensive Financial Report, which includes an opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The Reporting Entity

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

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

Phillip D. Butto IV, Treasurer/CFO • Elaine Speakman, Supervisor of Budgeting and Payroll

Empowering Students to Achieve Uncharted Levels of Success



The District And Its Facilities

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

Because of the rapid growth of Hudson and the surrounding area, the District recorded more than 19 consecutive years of increasing enrollment until fiscal year 2000 when enrollment slowed. The District’s enrollment for fiscal year 2025 was 4,550 students. The District expects enrollment to remain stable or slightly decline over the next few years.

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

Economic Condition And Outlook

Ohio’s unemployment rate was 4.9 percent in June 2025, and the nation’s unemployment rate for the same period was 4.1 percent. Additionally, June 2025 employment in the Akron Metropolitan Statistical Area was 342,306 with an unemployment rate of 5.2 percent. Specific employment figures for the Hudson City School District are not available. (Ohio Department of Job and Family Services, U.S. Bureau of Labor Statistics.)

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

On a budgetary-basis, the District receives approximately 74 percent of its total general operating fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. Tax rates are certified by the Summit County Auditor’s Office and Board of Education approved. This year’s rates were Board approved on March 10, 2025.

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

Long-Term Financial Planning

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



Organization Of The District

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

Principal Officials

BOARD MEMBERS

<u>Name</u>	<u>Began</u>	<u>Expires</u>	<u>Profession</u>
Steven DiMauro (President)	01-01-08	12-31-25	Associate Director, Accenture
Mark Dzurec	01-01-24	12-31-25	Account Executive Bay Pointe Technology
Laura Jones	08-01-22	12-31-27	Educator
Tom Tobin	01-01-16	12-31-27	Charitable Foundation Executive, Retired
Alisa Wright (Vice-President)	01-01-18	12-31-25	Attorney

ADMINISTRATION

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



Employee Relations

The District currently has approximately 656 employees. Two labor organizations represent District employees. Certified employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Hudson Education Association (HEA). Support employees, including cooks, custodians, educational aides and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees Local 372 (OAPSE).

Services Provided

The District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The District contracts out its transportation of students. During the 2024-25 fiscal year, the District's fleet of buses traveled 45 daily routes, 2,810 miles each day, providing transportation services to 2,698 daily riders. The Nutrition Services Department served an average of 3,462 meals daily for a total of 591,877 meals annually through the District's school lunch program.

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

At the center of the District's services are its exceptional instructional programs. The District offers regular instructional programs daily to students in grades pre-kindergarten to twelve. The District served approximately 653 identified students who need specially designed programs. These students received services through the wide array of special education programs offered in the District.

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

Academic Programming - Fiscal Year 2025

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

Academic Excellence

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

- Early Literacy 5 Stars
- Achievement 5 Stars
- Graduation Rate 5 Stars
- Progress 5 Stars
- Gap Closing 5 Stars
- College Career, Workforce & Military Readiness 4 Stars

Hudson High School ranked #11 and Hudson Middle School ranked #18 according to the 2025 US News and World Report.

25 Advanced Placement courses are offered at Hudson High School

233 Seniors graduated with designated honors

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



Higher Education Attendance - 94% of students attend higher education institutions:

- State Schools - 193 - 62%
- Private Schools - 38 - 12%
- 2 year/Tech College - 4 - 1%
- Out of State Universities/Colleges - 72 - 23%
- US Military Academies - 4 - 1%

National Merit Scholars

- 26 Seniors in class of 2025
 - 9 Finalists
 - 17 Commended

<u>ACT Composite</u>	<u>State</u>
2021 - 23.2	18.9
2022 - 23.0	18.7
2023 - 24.8	19.6
2024 - 25.8	19

- 6 students earned perfect ACT Scores in the past 2 years

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

Highlighting Unique Learning Opportunities

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

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

Five languages are taught in Hudson

Spanish
French
German
Mandarin Chinese
American Sign Language

The class of 2025 had 73 students earning Biliteracy seals



Highlighting the Student Experience

- All K- 5 students have access to supplemental academic support tutors to provide support to students needing intervention in reading, “Reading Club.”
- Gifted programming for students in grades 3-8 is provided by a Gifted Intervention Specialist.
- English as a Second Language programming and support. Provides students and families with support while navigating a new learning environment.
- Using Panorama (student perception survey) to design supports responsive to students’ needs.
- Preschool for students with and without disabilities.
- Hudson Preschool earned the Five-Star Step Up To Quality Rating, the HIGHEST distinction.
- Positive Behavior Intervention Support, K-12, Zones of Regulation, Conscious Discipline, PBIS (Positive Behavior, Intervention, Supports), and ROX (Ruling Our Experience) for girls in grades 5 and 9-12.
- Providing counseling services through partner agencies to provide more intensive mental health counseling to individual students.
- School Counselors for all students (15 counselors work with students across the District).
- 3 Clinical counselors provide a more intensive level of support for identified students.
- Health Services for all students RN, LPN, and Medical Assistants.
- Speech & Language Therapy, Occupational Therapy, Physical Therapy, and adaptive programs for students needing specialized instruction.
- Real-life experiences: Functional Living Labs, High School Cottage Industry, including woodworking, High School Sweet Sensations Café.
- Vocational and Transition to Work Programs both in-house and within the community
- Help for students or student enrichment:
 - Explorer Period, Grades 9-12
 - Response to Intervention (RTI), Reading, Math, Behavior, Pre-K-12
 - Academic Resource Centers, Grades 6-12
 - Math and Writing Labs, Grades 9-12

Enhancing the Student Experience

Huddle—High School students mentor Middle School and East Woods students regarding healthy life choices.

Sparkle Cheer—Students with disabilities participate in Varsity Cheerleading

Our Time to Shine—A student-directed play where students with and without disabilities are the actors, stage crew, and production managers.

Hudson High School Hydroponics garden functions as an active learning experience for students.

Creation of a Sensory Garden for students at McDowell Early Learning School.

Makerspace—Creation labs with laser printers, engravers, three-dimensional printing, Cricut, and sewing machines located at Hudson High School, Hudson Middle School, and East Woods Intermediate School.

Hudson Middle School Science Olympiad State Qualifiers.

Hudson Middle School “You Be the Chemist” Regional and State winners.

Forest Fridays offered at McDowell Early Learning School for students to spend learning time outdoors.

Fourth grade Ohio History play that was student-authored, produced, and performed.

Technology—Each student has a device:

- K – iPads or Chromebooks
- 1 - 5 – Chromebooks
- 6 - 8 – Chromebooks
- 9 - 12 – Chromebooks



Highlights from Performing Arts

Music

- Band, choir, and orchestra students earned high accolades in Norfolk and Williamsburg, Virginia, during the 2024 music department trip.
- During the 2024-2025 school year, the HHS Choirs performed in 20 concerts, highlighted by a combined performance with the BBHHS Choirs of Dan Forrest's "Requiem for the Living" at St. Bernard Church in Akron, OH. This was the 7th year of collaboration between the two music programs.
- Vocal Impact made their annual December trip throughout our community performing for the Hudson Women's Club, Hudson Rotary, HHS Staff, and our Elementary students & teachers. They also performed on Fox 8 in the Morning for the second year in a row back in February.
- Our annual Choir Cabaret was held in November. The evening was headlined by solo/small group performances and the funds raised from this event helped us to fund upcoming trips to Italy & Universal Studios as well as our Composer in Residence Concert with Jake Runestad in March.

OHIO MUSIC EDUCATION ASSOCIATION (OMEA)

- Chamber Choir & Bella Voce went to OMEA District Contest in March. Chamber Choir earned an Excellent rating (II) in Class AA and Bella Voce earned a Superior Rating (I) in Class B, which qualified them for State Contest in May; this was Bella Voce's first time attending Large Group Contest since their inception in 2022. They would go on to earn an Excellent rating (II) at OMEA State Contest
- In 2024, 8 HHS Choir members participated in the OMEA Solo & Ensemble Adjudicated Event at Barberton HS, With 7 earning a Superior rating (I) from their Adjudicators.
- During the 2024-2025 school year, students in HHS Bands played in 34 individual performances. These included concerts, parades, ceremonies, community outreach and/or charity events, competitions, athletic events, and more.
- HHS Band members continue to earn top chairs in district, university, regional, and state honor ensembles, including, but not limited to, the OMEA All-State Band, Cleveland Orchestra Youth Orchestra, Akron Youth Symphony, OMEA Northeast Regional Orchestra, Cleveland Youth Wind Symphony, the Ohio Band Directors Conference Honor Band, and the Kent State Youth Winds.
- The Hudson High School Wind Ensemble earned a "Superior (I)" rating in Class A at the OMEA District Large Group Adjudicated Event in 2024. The Hudson High School Symphonic Band earned an "Excellent (II)" rating at the same event, the first time in attendance in school history.
- In 2024, 30 HHS Band members participated in the OMEA Solo & Ensemble Adjudicated Event, all earning either a "Superior (I)" or "Excellent " rating from their adjudicators.

Drama

- HHS Drama Club's production of Treasure Island earned a Double Superior Rating by the Ohio Educational Theatre Association
- HHS Drama Club earned 11 nominations at the 2025 Dazzle Awards. They won Best Scenic Design, Best Technical Execution, Best Choreography Execution, Best Ensemble/Chorus, Best Actress (Mira Cahalane as Hermes) and Best Show for HADESTOWN: Teen Edition.
- HHS Drama Club, student won Best Actress award for Outstanding Collaboration at the 2025 Jimmy Awards in NYC.
- HHS Drama Club was honored with a Proclamation from the City of Hudson for the organization's achievements at the 2025 Dazzle Awards and our performing arts contributions to the community



Hudson High School Athletics 2024-2025 Highlights

Strong athletics participation: Over 50% of the students in grades 7-12 are student-athletes

- Niche has HCSD ranked #1 best school districts for Athletes in Ohio
- 1,184Athletes
- 85% Scholar Athletes (3.5 GPA or above)
- 12 Coaches of the Year
- 10 Athletes of the Year
- 22 All Ohio Athletes
- 10 League Championships
- 10 District Championships
- 3 Regional Championships
- 6 State Qualifying Teams
- 37 Individual State Qualifiers
- 2 Team Sportsmanship Awards
- 2024-2025 Suburban League All Sports Champions - 6th Consecutive Year
- #1 Public School in Ohio Athletes, USA Today

Financial Reporting

For the fiscal year ended June 30, 2025, the District continued to report in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis for the State and Local Governments." The basic financial statements for reporting on the District's financial activities are as follows:

- *Government-wide financial statements:* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.
- *Fund financial statements:* These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.
- *Statement of budgetary comparisons:* These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Discussion and Analysis of the District. This discussion appears after the Independent Accountants' Report in the financial section of this report. The Management's Discussion and Analysis (MD&A) provides an assessment of the District's finances for 2025. The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Financial Information***Internal Accounting and Budgetary Control***

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



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

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

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

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

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

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

Independent Audit

State statutes require an annual audit by independent accountants. The Auditor of State conducted the District's 2025 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Other Information

Awards:

Auditor of State Awards

The District has earned the ***Auditor of State Award with Distinction*** each year from 2015 to 2024 for clean audits. The District also earned the award for ***Highest Achievement in Open and Transparent Government*** from the Auditor of State. Clean and accurate record keeping are the foundation for good government, and taxpayers can take pride in our commitment to accountability.



INTRODUCTION

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hudson City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the twenty-sixth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting Award for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the twenty-sixth consecutive year that the District has achieved this prestigious award. The award represents a significant achievement by the District and reflects the District's commitment to the highest standards of school system financial reporting. The District is also submitting this report to the Association of School Business Officials (ASBO) International for consideration of the Certificate of Excellence in Financial Reporting award. This award will certify that the Annual Comprehensive Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of Schools Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

Acknowledgments

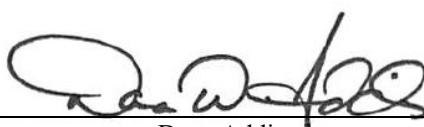
The continued publication of this report is an indication of the District's commitment to be accountable to our investors, the residents of the Hudson City School District, and to our customers, the students.

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

Respectfully submitted,



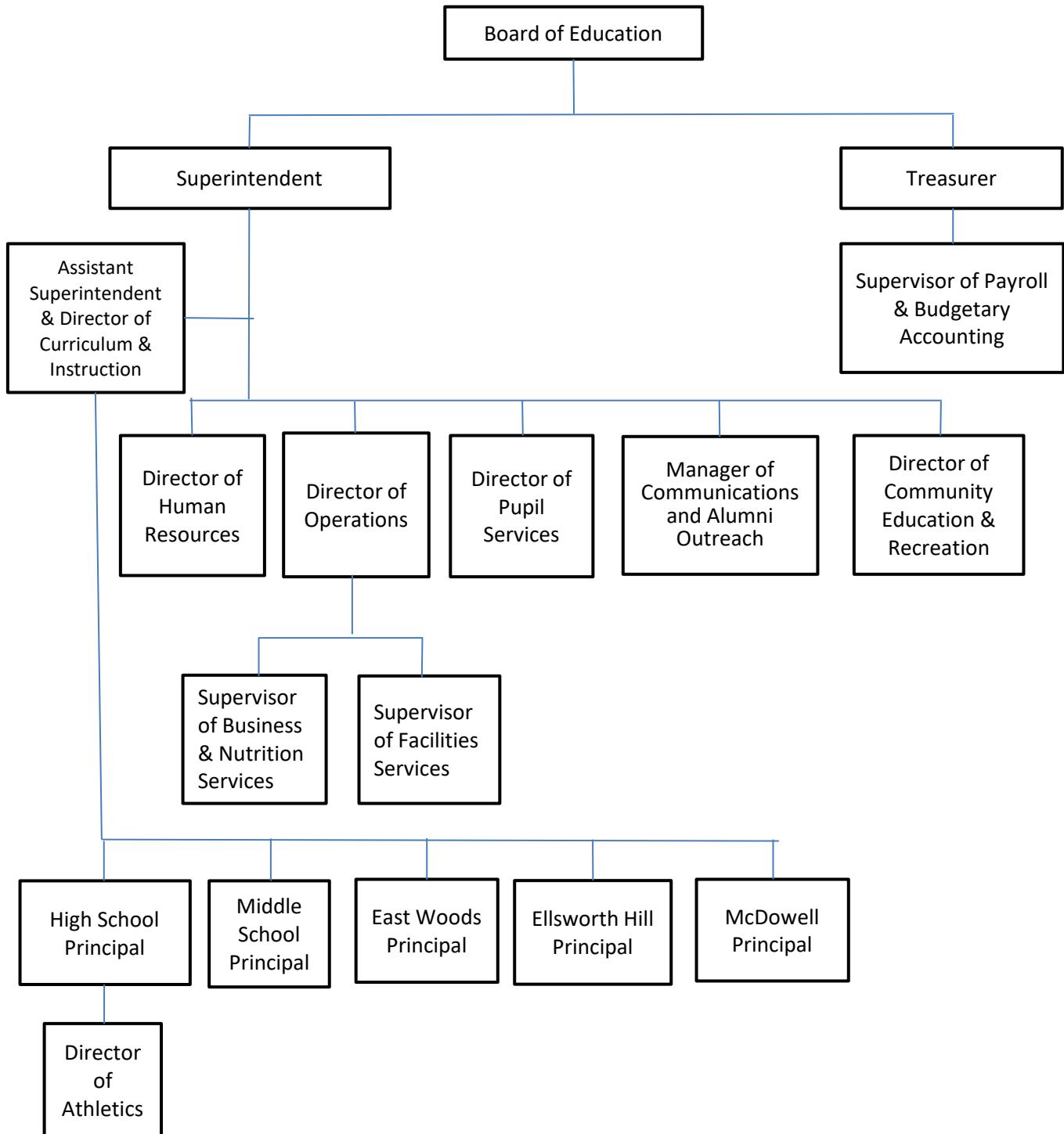
Phillip D. Butto IV
Treasurer/CFO



Dana Addis
Superintendent



HUDSON CITY SCHOOL DISTRICT ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hudson City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**Hudson City School District
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.**

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



Ryan S. Stechschulte

Ryan S. Stechschulte
President



James M. Rowan, CAE, SFO
CEO/Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hudson City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Hudson City School District, Summit County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 2A to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of

Hudson City School District
Summit County
Independent Auditor's Report
Page 4

an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 30, 2025

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

The management's discussion and analysis of Hudson City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- In total, net position increased \$7,888,754 from fiscal year 2024's net position. Net position of governmental activities increased \$7,987,628 and net position of business-type activities decreased \$98,874.
- Total governmental activities revenues were \$100,033,267. General revenues related to governmental activities accounted for \$89,734,408 or 89.70% of all revenues. Program specific revenues related to governmental activities in the form of charges for services and sales, grants and contributions accounted for \$10,298,859 or 10.30% of total revenues.
- The District had \$92,045,639 in expenses related to governmental activities; only \$10,298,859 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$89,734,408 were inadequate to provide for these programs.
- The District had \$1,773,235 in expenses related to business-type activities; program specific revenues in the form of charges for services amounted to \$1,674,361.
- The District's most significant governmental fund is the general fund. The general fund had \$84,347,716 in revenues and other financing sources and \$82,260,451 in expenditures and other financing uses. This resulted in an increase in fund balance from \$24,004,895 to \$26,092,160.

Using the Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets, liabilities, deferred inflows and outflows of resources, revenues and expenses using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

Required Supplementary Information

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The following table provides a summary of the District's net position for fiscal years 2025 and 2024. Amounts for fiscal year 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 2 in the notes to the basic financial statements), while amounts for fiscal year 2024 have been presented in accordance with previous guidance.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	\$118,142,041	\$113,784,210	\$ 1,213,918	\$ 1,308,126	\$119,355,959	\$115,092,336
Net OPEB asset	4,984,065	5,060,944	5,184	7,465	4,989,249	5,068,409
Capital assets, net	<u>121,076,941</u>	<u>125,548,655</u>	<u>-</u>	<u>-</u>	<u>121,076,941</u>	<u>125,548,655</u>
Total assets	<u>244,203,047</u>	<u>244,393,809</u>	<u>1,219,102</u>	<u>1,315,591</u>	<u>245,422,149</u>	<u>245,709,400</u>
Deferred outflows of resources						
Other amounts	883,164	982,211	-	-	883,164	982,211
Pension	13,254,761	14,130,046	196,134	226,639	13,450,895	14,356,685
OPEB	<u>2,232,981</u>	<u>2,646,189</u>	<u>117,158</u>	<u>150,581</u>	<u>2,350,139</u>	<u>2,796,770</u>
Total deferred outflows of resources	<u>16,370,906</u>	<u>17,758,446</u>	<u>313,292</u>	<u>377,220</u>	<u>16,684,198</u>	<u>18,135,666</u>
Liabilities						
Current liabilities	11,363,361	11,298,273	129,638	66,316	11,492,999	11,364,589
Long-term liabilities:						
Due within one year	5,721,971	4,125,911	25,904	16,836	5,747,875	4,142,747
Net pension liability	63,780,221	70,594,376	740,135	805,740	64,520,356	71,400,116
Net OPEB liability	2,671,723	4,464,153	138,942	221,763	2,810,665	4,685,916
Other amounts	<u>101,186,198</u>	<u>90,265,717</u>	<u>102,098</u>	<u>31,859</u>	<u>101,288,296</u>	<u>90,297,576</u>
Total liabilities	<u>184,723,474</u>	<u>180,748,430</u>	<u>1,136,717</u>	<u>1,142,514</u>	<u>185,860,191</u>	<u>181,890,944</u>
Deferred inflows of resources						
Other amounts	62,636,317	63,333,620	-	-	62,636,317	63,333,620
Pension	7,476,395	4,634,394	89,738	55,351	7,566,133	4,689,745
OPEB	<u>7,871,959</u>	<u>8,084,706</u>	<u>241,348</u>	<u>224,710</u>	<u>8,113,307</u>	<u>8,309,416</u>
Total deferred inflows of resources	<u>77,984,671</u>	<u>76,052,720</u>	<u>331,086</u>	<u>280,061</u>	<u>78,315,757</u>	<u>76,332,781</u>
Net Position						
Net investment in capital assets	38,675,595	39,304,715	-	-	38,675,595	39,304,715
Restricted	16,222,604	16,394,630	5,184	7,465	16,227,788	16,402,095
Unrestricted (deficit)	<u>(57,032,391)</u>	<u>(50,348,240)</u>	<u>59,407</u>	<u>262,771</u>	<u>(56,972,984)</u>	<u>(50,085,469)</u>
Total net position (deficit)	<u>\$ (2,134,192)</u>	<u>\$ 5,351,105</u>	<u>\$ 64,591</u>	<u>\$ 270,236</u>	<u>\$ (2,069,601)</u>	<u>\$ 5,621,341</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2025 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

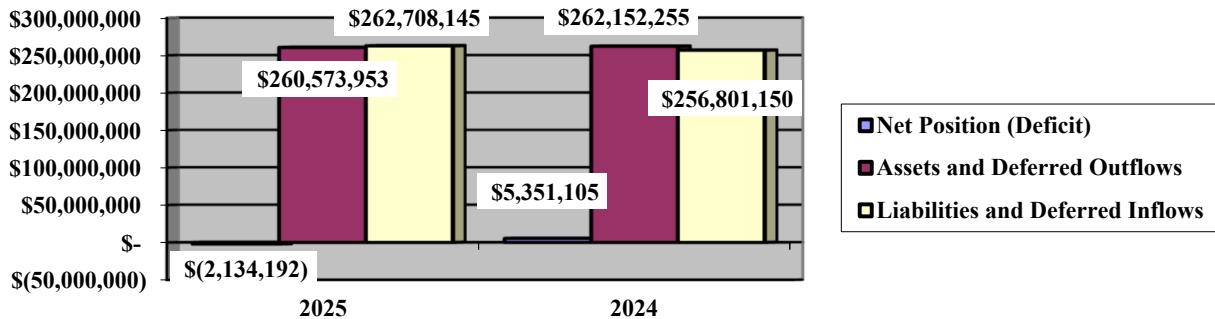
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

As the previous table illustrates, some of the more significant changes in net position were related to the District's net pension liability, net OPEB liability/asset and the related deferred inflows/outflows of resources. See Note 11 and Note 12 in the notes to the basic financial statements for additional information regarding these components of net position. These can fluctuate from year-to-year depending, in part, on the different actuarial assumptions used by the pension systems. Another significant change is reflected in other long-term liabilities in the table above, which is an increase in the compensated absences liability due to the implementation of GASB Statement No. 101.

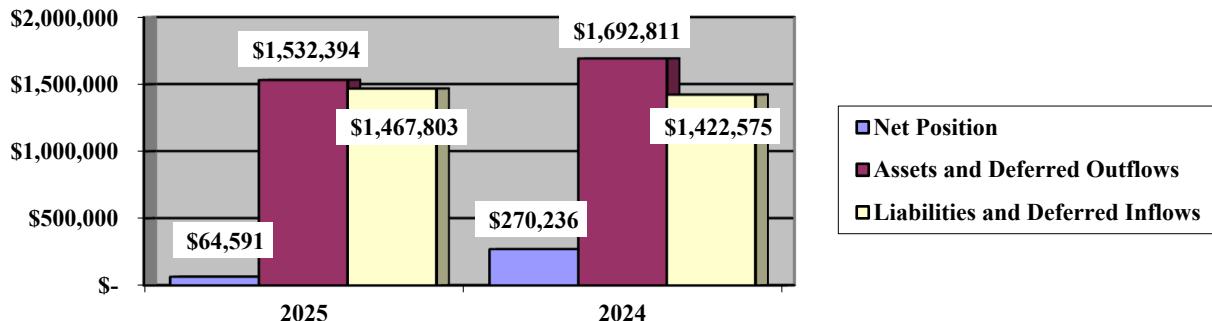
A portion of the District's governmental activities net position, or \$16,222,604, represents resources that are subject to external restriction on how they may be used. The net investment in capital assets makes up another \$38,675,595. The remaining unrestricted portion of the District's governmental activities net position is a deficit of \$57,032,391.

The following graphs present the District's governmental and business-type assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position at June 30, 2025 and June 30, 2024.

Governmental Activities



Business-Type Activities



The table on the following page shows the changes in net position for fiscal years 2025 and 2024. For fiscal year 2025, the District has implemented GASB Statement No. 101 (see Note 2 in the notes to the basic financial statements); the effect of this implementation is reported in the following table as a restatement.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services and sales	\$ 4,672,055	\$ 4,590,802	\$ 1,674,361	\$ 1,748,134	\$ 6,346,416	\$ 6,338,936
Operating grants and contributions	5,505,735	6,763,597	-	-	5,505,735	6,763,597
Capital grants and contributions	121,069	43,790	-	-	121,069	43,790
General revenues:						
Property taxes	67,140,012	51,570,582	-	-	67,140,012	51,570,582
Payments in lieu of taxes	561,142	682,733	-	-	561,142	682,733
Unrestricted grants and entitlements	19,248,943	18,735,252	-	-	19,248,943	18,735,252
Investment earnings	2,393,263	2,317,144	-	-	2,393,263	2,317,144
Miscellaneous	391,048	275,995	-	-	391,048	275,995
Total revenues	<u>100,033,267</u>	<u>84,979,895</u>	<u>1,674,361</u>	<u>1,748,134</u>	<u>101,707,628</u>	<u>86,728,029</u>
Expenses						
Instruction:						
Regular	37,312,335	38,769,710	-	-	37,312,335	38,769,710
Special	13,125,074	12,893,771	-	-	13,125,074	12,893,771
Vocational	320,609	334,818	-	-	320,609	334,818
Other	1,603,022	1,772,530	-	-	1,603,022	1,772,530
Support services:						
Pupil	6,901,520	6,699,676	-	-	6,901,520	6,699,676
Instructional staff	3,104,281	2,771,245	-	-	3,104,281	2,771,245
Board of education	72,349	105,292	-	-	72,349	105,292
Administration	5,345,345	5,254,458	-	-	5,345,345	5,254,458
Fiscal	1,939,868	1,966,671	-	-	1,939,868	1,966,671
Business	607,125	587,033	-	-	607,125	587,033
Operations and maintenance	6,684,025	6,154,967	-	-	6,684,025	6,154,967
Pupil transportation	4,998,549	4,779,744	-	-	4,998,549	4,779,744
Central	875,481	854,006	-	-	875,481	854,006
Operation of non-instructional services:						
Food service operations	2,062,127	2,167,745	-	-	2,062,127	2,167,745
Other non-instructional services	286,176	280,598	-	-	286,176	280,598
Extracurricular activities	3,568,324	3,738,264	-	-	3,568,324	3,738,264
Interest and fiscal charges						
on long-term debt	3,239,429	3,334,822	-	-	3,239,429	3,334,822
Community education	-	-	1,773,235	1,537,618	1,773,235	1,537,618
Total expenses	<u>92,045,639</u>	<u>92,465,350</u>	<u>1,773,235</u>	<u>1,537,618</u>	<u>93,818,874</u>	<u>94,002,968</u>
Change in net position before transfers	<u>7,987,628</u>	<u>(7,485,455)</u>	<u>(98,874)</u>	<u>210,516</u>	<u>7,888,754</u>	<u>(7,274,939)</u>
Transfers	-	<u>59,950</u>	-	<u>(59,950)</u>	-	-
Change in net position	7,987,628	(7,425,505)	(98,874)	150,566	7,888,754	(7,274,939)
Net position as previously reported	5,351,105	12,776,610	270,236	119,670	5,621,341	12,896,280
Restatement - change in accounting principle	<u>(15,472,925)</u>	-	<u>(106,771)</u>	-	<u>(15,579,696)</u>	-
Net position (deficit) at beginning of year, restated	<u>(10,121,820)</u>	<u>12,776,610</u>	<u>163,465</u>	<u>119,670</u>	<u>(9,958,355)</u>	<u>12,896,280</u>
Net position (deficit) at end of year	<u>\$ (2,134,192)</u>	<u>\$ 5,351,105</u>	<u>\$ 64,591</u>	<u>\$ 270,236</u>	<u>\$ (2,069,601)</u>	<u>\$ 5,621,341</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

Governmental Activities

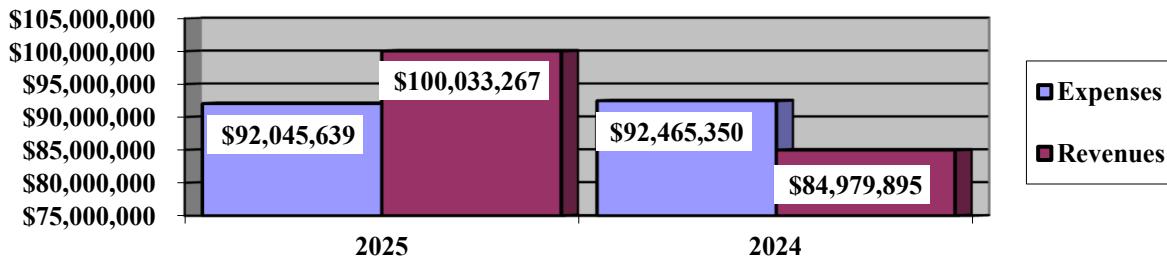
Net position of the District's governmental activities increased \$7,987,628. Total governmental expenses of \$92,045,639 were offset by program revenues of \$10,298,859 and general revenues of \$89,734,408.

Total revenues increased significantly. This is partly due to fluctuations in the amount of taxes collected by the County and available for advance to the District at year-end. This is reported as property taxes revenue and can vary depending on when the County distributes the second-half tax bills and receives payment. Additionally, the District received a full year of collections on the new operating levy and also benefitted from a full year of collections on the higher assessed property values, both of which went into effect in 2024.

Total expenses of the governmental activities remained virtually unchanged compared to the prior year, decreasing \$419,711 or 0.45%. The District's instruction programs accounted for \$52,361,040 or 56.89% of total governmental expenses.

The following graph presents the District's governmental activities revenues and expenses for fiscal years 2025 and 2024.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the following page shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2025 and 2024. That is, it identifies the cost of these services supported by taxes revenue and unrestricted grants and entitlements.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

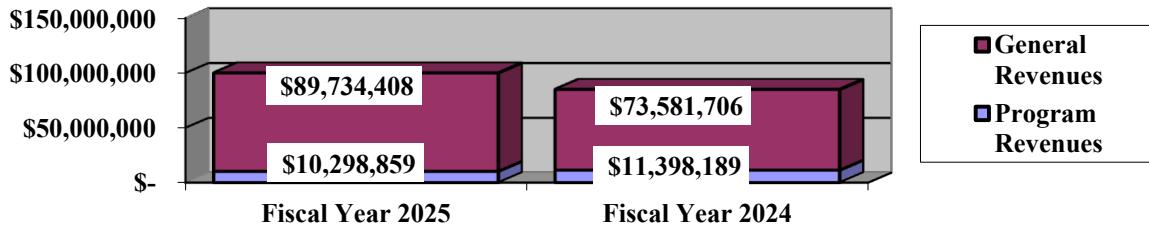
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Program expenses:				
Instruction:				
Regular	\$ 37,312,335	\$ 34,659,483	\$ 38,769,710	\$ 35,247,488
Special	13,125,074	10,515,247	12,893,771	10,490,885
Vocational	320,609	296,214	334,818	310,030
Other	1,603,022	1,554,378	1,772,530	1,520,436
Support services:				
Pupil	6,901,520	6,407,472	6,699,676	5,966,348
Instructional staff	3,104,281	3,029,332	2,771,245	2,659,204
Board of education	72,349	47,475	105,292	105,292
Administration	5,345,345	5,300,657	5,254,458	5,106,599
Fiscal	1,939,868	1,939,868	1,966,671	1,966,671
Business	607,125	607,125	587,033	587,033
Operations and maintenance	6,684,025	6,499,592	6,154,967	6,062,973
Pupil transportation	4,998,549	4,668,706	4,779,744	4,479,601
Central	875,481	875,481	854,006	854,006
Operation of non-instructional services:				
Food service operations	2,062,127	(231,596)	2,167,745	(271,984)
Other non-instructional services	286,176	2,336	280,598	(15,873)
Extracurricular activities	3,568,324	2,335,581	3,738,264	2,663,630
Interest	3,239,429	3,239,429	3,334,822	3,334,822
Total expenses	\$ 92,045,639	\$ 81,746,780	\$ 92,465,350	\$ 81,067,161

The dependence upon tax revenues during fiscal year 2025 for governmental activities is apparent, as 89.81% of 2025 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support was 88.81% in 2025. The District's taxpayers and unrestricted grants and entitlements are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2025 and 2024.

Governmental Activities - General and Program Revenues



Business-Type Activities

Business-type activities include the District's community education program which had operating revenues of \$1,674,361 and operating expenses of \$1,773,235 for fiscal year 2025, resulting in an operating loss of \$98,874. Revenues (charges for services) decreased slightly while expenses increased. The increase in expenses was primarily driven by higher costs for purchased professional and technical services, particularly for those related to the Explorer Zone, which is the before school and after school child care program. These operations are largely self-supporting through user fees and charges. Management assesses its performance to ensure that they are run efficiently.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

The District's Funds

The District's governmental funds reported a combined fund balance of \$37,629,237, which is \$2,451,983 higher than last year's total. The schedule below indicates the fund balance as of June 30, 2025 and 2024, and the total change in fund balance.

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	<u>Change</u>
General fund	\$ 26,092,160	\$ 24,004,895	\$ 2,087,265
Nonmajor governmental funds	<u>11,537,077</u>	<u>11,172,359</u>	<u>364,718</u>
Total	<u>\$ 37,629,237</u>	<u>\$ 35,177,254</u>	<u>\$ 2,451,983</u>

General Fund

Fund balance for the general fund increased \$2,087,265 or 8.70%. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.62% of total general fund expenditures, while total fund balance represents 31.76% of that same amount.

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

<u>Revenues</u>	2025 Amount	2024 Amount	Percentage Change
Property taxes	\$ 60,637,319	\$ 46,289,050	31.00 %
Payments in lieu of taxes	561,142	682,733	(17.81) %
Tuition and fees	1,659,071	1,680,823	(1.29) %
Earnings on investments	2,329,736	2,312,080	(0.76) %
Intergovernmental	18,194,472	17,720,828	2.67 %
Other revenues	<u>952,880</u>	<u>865,346</u>	<u>10.12 %</u>
Total	<u>\$ 84,334,620</u>	<u>\$ 69,550,860</u>	<u>21.26 %</u>

The overall increase in general fund revenues is primarily due to a rise in property taxes revenue, as discussed on page F 11. The only significant decrease in revenues was payments in lieu of taxes, which is primarily a result of additional catch-up payments remitted to the District in the prior year.

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

<u>Expenditures</u>	2025 Amount	2024 Amount	Percentage Change
Instruction	\$ 48,775,404	\$ 47,255,844	3.22 %
Support services	31,175,990	28,684,335	8.69 %
Other non-instructional services	3,075	7,162	(57.07) %
Extracurricular activities	1,630,600	1,499,406	8.75 %
Capital outlay	-	210,605	(100.00) %
Debt service	<u>556,382</u>	<u>660,030</u>	<u>(15.70) %</u>
Total	<u>\$ 82,141,451</u>	<u>\$ 78,317,382</u>	<u>4.88 %</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

The overall increase in general fund expenditures is primarily due to a net increase in staff for the year, leading to higher wages and salary costs, as well as an increase in fringe benefits such as employee health insurance premiums and retirement system contributions. The two major categories of expenditure decreases are capital outlay and debt service. Capital outlay expenditures reported for the prior year include amounts related to Subscription Based Information Technology Arrangements (SBITAs) entered into during the year. The decrease in debt service expenditures is a result of the District making the final payment on a financed purchase agreement in fiscal year 2024.

Enterprise Fund

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

General Fund Budgeting Highlights

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

For the general fund, original budgeted revenues and other financing sources were \$85,803,172. This was decreased to \$81,006,024 in the final budget to more closely align with projected amounts for various resources such as property taxes and intergovernmental revenues. Actual revenues and other financing sources were \$82,228,368, or \$1,222,344 more than the final budget.

General fund original and final budget appropriations (expenditures and other financing uses) were \$80,427,999 and \$83,927,999, respectively. The actual budget basis expenditures and other financing uses for fiscal year 2025 totaled \$81,424,941, which is \$2,503,058 less than the final budget appropriations. The District typically budgets for higher appropriations in case unforeseen expenditures arise throughout the year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$121,076,941 (net of accumulated depreciation/amortization) invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, computer software, lease assets, and subscription assets. This entire amount is reported in governmental activities.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

The following table shows fiscal year 2025 balances compared to 2024:

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

	<u>Governmental Activities</u>	
	2025	2024
Land	\$ 1,022,386	\$ 1,022,386
Land improvements	6,211,849	6,330,055
Buildings and improvements	111,091,029	114,382,184
Furniture and equipment	1,842,112	2,422,394
Vehicles	468,845	576,613
Lease assets - buildings	51,359	102,717
Lease assets - equipment	279,811	559,623
Subscription assets	<u>109,550</u>	<u>152,683</u>
Total	<u>\$ 121,076,941</u>	<u>\$ 125,548,655</u>

The overall decrease in capital assets is a result of depreciation/amortization expense of \$6,186,183 and net disposals of \$5,987 exceeding capital asset additions of \$1,720,456. Most of the additions were building improvements such as a central chiller plant and HVAC.

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

Debt Administration

At June 30, 2025, the District had \$82,432,606 in long-term debt obligations outstanding. Of this total, \$3,539,106 is due within one year and \$78,893,500 is due in greater than one year.

The following table summarizes the District's outstanding debt.

Outstanding Debt at June 30

	Governmental Activities	Governmental Activities
	2025	2024
Qualified School Construction Bonds	\$ -	\$ 170,000
Certificates of Participation	9,800,000	10,620,000
School Improvement Bonds - Series 2018	67,850,000	69,620,000
Lease Liability	344,349	681,684
Subscription Liability	108,257	141,751
Notes Payable	<u>4,330,000</u>	<u>4,790,000</u>
Total	<u>\$ 82,432,606</u>	<u>\$ 86,023,435</u>

There was no debt activity for fiscal year 2025 aside from the scheduled debt payments. See Note 8 in the notes to the basic financial statements for more information on the District's debt administration.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

Current Financial Related Activities

The District has carefully managed its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the levy millage amounts needed periodically from the community's citizens. The general fund cash balance was \$31,773,410 at June 30, 2025. General fund cash balances were \$30,464,868, \$29,419,117, \$30,652,740, and \$33,890,181 at June 30 in fiscal years 2024, 2023, 2022, and 2021, respectively. Sound fiscal management by the Board of Education and Administration has enabled the District to maintain a healthy cash balance and continue a quality, comprehensive educational program.

Property taxes revenue is the District's main source of revenue, comprising approximately 73% of all cash receipts for the general fund in fiscal year 2025. Property taxes are largely dependent upon assessed property values, which are determined by the Summit County Fiscal Officer. The County conducted a reappraisal in 2023 which went into effect for calendar year 2024 tax collections. The reappraisal resulted in an increase in property values of approximately \$303 million (23%). Appraisals are done every six years, with an update occurring every three years.

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

The District's second largest revenue source is State aid from the State Foundation program, which comprise approximately 22% of general fund cash receipts in fiscal year 2025. State Foundation revenue for fiscal year 2026 is budgeted at approximately \$12.1 million, which is a slight increase from fiscal year 2025.

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

Contacting the District's Financial Management

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF NET POSITION
JUNE 30, 2025**

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 49,672,957	\$ 1,213,208	\$ 50,886,165
Receivables:			
Property taxes	67,261,875	-	67,261,875
Payment in lieu of taxes	556,000	-	556,000
Accounts	17,625	-	17,625
Accrued interest	245,665	-	245,665
Intergovernmental	290,450	-	290,450
Prepayments	83,706	710	84,416
Materials and supplies inventory	1,134	-	1,134
Inventory held for resale	12,629	-	12,629
Net OPEB asset	4,984,065	5,184	4,989,249
Capital assets:			
Not depreciated/amortized	1,022,386	-	1,022,386
Depreciated/amortized, net	120,054,555	-	120,054,555
Capital assets, net	<u>121,076,941</u>	<u>-</u>	<u>121,076,941</u>
Total assets	<u>244,203,047</u>	<u>1,219,102</u>	<u>245,422,149</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	883,164	-	883,164
Pension	13,254,761	196,134	13,450,895
OPEB	2,232,981	117,158	2,350,139
Total deferred outflows of resources	<u>16,370,906</u>	<u>313,292</u>	<u>16,684,198</u>
Liabilities:			
Accounts payable	182,767	77,716	260,483
Contracts payable	25,000	-	25,000
Accrued wages and benefits payable	7,934,303	40,147	7,974,450
Matured compensated absences payable	261,027	-	261,027
Intergovernmental payable	219,738	-	219,738
Pension obligation payable	1,241,549	11,775	1,253,324
Accrued interest payable	273,556	-	273,556
Claims payable	1,225,421	-	1,225,421
Long-term liabilities:			
Due within one year	5,721,971	25,904	5,747,875
Due in more than one year:			
Net pension liability	63,780,221	740,135	64,520,356
Net OPEB liability	2,671,723	138,942	2,810,665
Other amounts due in more than one year	<u>101,186,198</u>	<u>102,098</u>	<u>101,288,296</u>
Total liabilities	<u>184,723,474</u>	<u>1,136,717</u>	<u>185,860,191</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	62,080,317	-	62,080,317
Payment in lieu of taxes levied for the next fiscal year	556,000	-	556,000
Pension	7,476,395	89,738	7,566,133
OPEB	7,871,959	241,348	8,113,307
Total deferred inflows of resources	<u>77,984,671</u>	<u>331,086</u>	<u>78,315,757</u>
Net position:			
Net investment in capital assets	38,675,595	-	38,675,595
Restricted for:			
Capital projects	3,865,127	-	3,865,127
OPEB	4,984,065	5,184	4,989,249
Debt service	4,754,510	-	4,754,510
State funded programs	36,352	-	36,352
Federally funded programs	1,810	-	1,810
Food service operations	1,975,732	-	1,975,732
Student activities	467,067	-	467,067
Other purposes	137,941	-	137,941
Unrestricted (deficit)	<u>(57,032,391)</u>	<u>59,407</u>	<u>(56,972,984)</u>
Total net position (deficit)	<u><u>\$ (2,134,192)</u></u>	<u><u>\$ 64,591</u></u>	<u><u>\$ (2,069,601)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 37,312,335	\$ 1,243,985	\$ 1,408,867	\$ -
Special	13,125,074	287,724	2,322,103	-
Vocational	320,609	324	24,071	-
Other	1,603,022	12,658	35,986	-
Support services:				
Pupil	6,901,520	214,764	279,284	-
Instructional staff	3,104,281	4,593	70,356	-
Board of education	72,349	-	24,874	-
Administration	5,345,345	34,502	10,186	-
Fiscal	1,939,868	-	-	-
Business	607,125	-	-	-
Operations and maintenance	6,684,025	71,928	20,005	92,500
Pupil transportation	4,998,549	-	329,843	-
Central	875,481	-	-	-
Operation of non-instructional services:				
Food service operations	2,062,127	1,743,403	550,320	-
Other non-instructional services	286,176	1,904	281,936	-
Extracurricular activities	3,568,324	1,056,270	147,904	28,569
Interest	3,239,429	-	-	-
Total governmental activities	<u>92,045,639</u>	<u>4,672,055</u>	<u>5,505,735</u>	<u>121,069</u>
Business-type activities:				
Community education	<u>1,773,235</u>	<u>1,674,361</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 93,818,874</u>	<u>\$ 6,346,416</u>	<u>\$ 5,505,735</u>	<u>\$ 121,069</u>

General revenues:

Property taxes levied for:

 General purposes

 Debt service

 Capital outlay

Payments in lieu of taxes

Grants and entitlements not restricted

 to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position as previously reported

Restatement - change in accounting principle

Net position (deficit) at beginning of year, restated

Net position (deficit) at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ (34,659,483)	\$ -	\$ (34,659,483)
(10,515,247)	-	(10,515,247)
(296,214)	-	(296,214)
(1,554,378)	-	(1,554,378)
(6,407,472)	-	(6,407,472)
(3,029,332)	-	(3,029,332)
(47,475)	-	(47,475)
(5,300,657)	-	(5,300,657)
(1,939,868)	-	(1,939,868)
(607,125)	-	(607,125)
(6,499,592)	-	(6,499,592)
(4,668,706)	-	(4,668,706)
(875,481)	-	(875,481)
231,596	-	231,596
(2,336)	-	(2,336)
(2,335,581)	-	(2,335,581)
(3,239,429)	-	(3,239,429)
(81,746,780)	-	(81,746,780)
	(98,874)	(98,874)
	(98,874)	(81,845,654)
60,934,887	-	60,934,887
4,749,326	-	4,749,326
1,455,799	-	1,455,799
561,142	-	561,142
19,248,943	-	19,248,943
2,393,263	-	2,393,263
391,048	-	391,048
89,734,408	-	89,734,408
7,987,628	(98,874)	7,888,754
5,351,105	270,236	5,621,341
(15,472,925)	(106,771)	(15,579,696)
(10,121,820)	163,465	(9,958,355)
\$ (2,134,192)	\$ 64,591	\$ (2,069,601)

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 31,773,410	\$ 11,531,889	\$ 43,305,299
Receivables:			
Property taxes	61,129,450	6,132,425	67,261,875
Payment in lieu of taxes	556,000	-	556,000
Accounts	15,775	1,850	17,625
Accrued interest	245,665	-	245,665
Intergovernmental	-	290,450	290,450
Prepayments	80,675	2,908	83,583
Materials and supplies inventory	-	1,134	1,134
Inventory held for resale	-	12,629	12,629
Due from other funds	134,283	-	134,283
Total assets	<u>\$ 93,935,258</u>	<u>\$ 17,973,285</u>	<u>\$ 111,908,543</u>
Liabilities:			
Accounts payable	\$ 95,049	\$ 87,718	\$ 182,767
Contracts payable	-	25,000	25,000
Accrued wages and benefits payable	7,692,033	242,270	7,934,303
Matured compensated absences payable	252,090	8,937	261,027
Intergovernmental payable	215,286	920	216,206
Pension obligation payable	1,184,240	57,309	1,241,549
Due to other funds	-	134,283	134,283
Claims payable	5,421	-	5,421
Total liabilities	<u>9,444,119</u>	<u>556,437</u>	<u>10,000,556</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	56,375,300	5,705,017	62,080,317
Payment in lieu of taxes levied for the next fiscal year	556,000	-	556,000
Delinquent property tax revenue not available	1,302,452	103,343	1,405,795
Intergovernmental revenue not available	-	71,411	71,411
Accrued interest not available	165,227	-	165,227
Total deferred inflows of resources	<u>58,398,979</u>	<u>5,879,771</u>	<u>64,278,750</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory	-	1,134	1,134
Prepayments	80,675	2,908	83,583
Restricted:			
Debt service	-	4,953,117	4,953,117
Capital improvements	-	3,811,733	3,811,733
Food service operations	-	2,198,287	2,198,287
Non-public schools	-	16,347	16,347
State funded programs	-	20,005	20,005
Extracurricular activities	-	467,016	467,016
Other purposes	-	137,941	137,941
Assigned:			
Student instruction	127,980	-	127,980
Student and staff support	289,850	-	289,850
Rotary services	419,082	-	419,082
Other purposes	21,305	-	21,305
Unassigned (deficit)	<u>25,153,268</u>	<u>(71,411)</u>	<u>25,081,857</u>
Total fund balances	<u>26,092,160</u>	<u>11,537,077</u>	<u>37,629,237</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 93,935,258</u>	<u>\$ 17,973,285</u>	<u>\$ 111,908,543</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025**

Total governmental fund balances	\$ 37,629,237
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	121,076,941
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 1,405,795
Accrued interest receivable	165,227
Intergovernmental receivable	<u>71,411</u>
Total	1,642,433
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	5,144,249
Unamortized premiums on long-term debt are not recognized in the funds.	(3,509,609)
Unamortized amounts on refundings are not recognized in the funds.	883,164
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(273,556)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	13,254,761
Deferred inflows - pension	(7,476,395)
Net pension liability	(63,780,221)
Deferred outflows - OPEB	2,232,981
Deferred inflows - OPEB	(7,871,959)
Net OPEB asset	4,984,065
Net OPEB liability	<u>(2,671,723)</u>
Total	(61,328,491)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	(67,850,000)
Certificates of participation	(9,800,000)
Lease liability	(344,349)
Subscription liability	(108,257)
Notes payable	(4,330,000)
Compensated absences	<u>(20,965,954)</u>
Total	(103,398,560)
Net position of governmental activities	<u>\$ (2,134,192)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	\$ 60,637,319	\$ 6,174,654	\$ 66,811,973
Intergovernmental	18,194,472	6,033,829	24,228,301
Investment earnings	2,329,736	90,826	2,420,562
Tuition and fees	1,659,071	-	1,659,071
Extracurricular	447,305	756,071	1,203,376
Rental income	52,295	-	52,295
Charges for services	-	1,743,403	1,743,403
Contributions and donations	73,982	537,262	611,244
Payment in lieu of taxes	561,142	-	561,142
Miscellaneous	379,298	42,479	421,777
Total revenues	84,334,620	15,378,524	99,713,144
Expenditures:			
Current:			
Instruction:			
Regular	34,331,669	2,083,710	36,415,379
Special	12,655,937	1,549,026	14,204,963
Vocational	220,764	2,136	222,900
Other	1,567,034	35,988	1,603,022
Support services:			
Pupil	7,268,578	6,929	7,275,507
Instructional staff	3,046,100	73,222	3,119,322
Board of education	73,055	-	73,055
Administration	5,576,232	28,160	5,604,392
Fiscal	1,856,585	148,423	2,005,008
Business	677,301	-	677,301
Operations and maintenance	6,935,164	23,084	6,958,248
Pupil transportation	4,817,184	71,114	4,888,298
Central	925,791	-	925,791
Operation of non-instructional services:			
Food service operations	-	2,139,777	2,139,777
Other non-instructional services	3,075	283,101	286,176
Extracurricular activities	1,630,600	964,778	2,595,378
Facilities acquisition and construction	-	1,329,021	1,329,021
Debt service:			
Principal retirement	540,829	3,050,000	3,590,829
Interest and fiscal charges	15,553	3,345,880	3,361,433
Total expenditures	<u>82,141,451</u>	<u>15,134,349</u>	<u>97,275,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,193,169</u>	<u>244,175</u>	<u>2,437,344</u>
Other financing sources (uses):			
Proceeds from sale of assets	13,096	1,543	14,639
Transfers in	-	2,138,024	2,138,024
Transfers (out)	(119,000)	(2,019,024)	(2,138,024)
Total other financing sources (uses)	<u>(105,904)</u>	<u>120,543</u>	<u>14,639</u>
Net change in fund balances	2,087,265	364,718	2,451,983
Fund balances at beginning of year	24,004,895	11,172,359	35,177,254
Fund balances at end of year	<u>\$ 26,092,160</u>	<u>\$ 11,537,077</u>	<u>\$ 37,629,237</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net change in fund balances - total governmental funds	\$ 2,451,983
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Capital asset additions	\$ 1,720,456
Current year depreciation/amortization	<u>(6,186,183)</u>
Total	(4,465,727)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	
	(5,987)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	
Property taxes	328,039
Earnings on investments	63,527
Intergovernmental	<u>(80,095)</u>
Total	311,471
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
	3,590,829
In the statement of activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:	
Decrease in accrued interest payable	8,640
Amortization of debt premiums	212,411
Amortization of deferred charges on refunding	<u>(99,047)</u>
Total	122,004
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows of resources.	
Pension	6,833,569
OPEB	<u>189,798</u>
Total	7,023,367
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.	
Pension	(3,736,700)
OPEB	<u>1,325,292</u>
Total	(2,411,408)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	(1,148,763)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	<u>2,519,859</u>
Change in net position of governmental activities	<u>\$ 7,987,628</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025**

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Assets:		
Current assets:		
Equity in pooled cash and investments	\$ 1,213,208	\$ 6,367,658
Prepayments	710	123
Total current assets	<u>1,213,918</u>	<u>6,367,781</u>
Noncurrent assets:		
Net OPEB asset	5,184	-
Total assets	<u>1,219,102</u>	<u>6,367,781</u>
Deferred outflows of resources:		
Pension	196,134	-
OPEB	117,158	-
Total deferred outflows of resources	<u>313,292</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts payable	77,716	-
Accrued wages and benefits payable	40,147	-
Compensated absences payable	25,904	-
Pension obligation payable	11,775	-
Intergovernmental payable	-	3,532
Claims payable	-	1,220,000
Total current liabilities	<u>155,542</u>	<u>1,223,532</u>
Noncurrent liabilities:		
Compensated absences payable	102,098	-
Net pension liability	740,135	-
Net OPEB liability	138,942	-
Total noncurrent liabilities	<u>981,175</u>	<u>-</u>
Total liabilities	<u>1,136,717</u>	<u>1,223,532</u>
Deferred inflows of resources:		
Pension	89,738	-
OPEB	241,348	-
Total deferred inflows of resources	<u>331,086</u>	<u>-</u>
Net position:		
Restricted for OPEB	5,184	-
Unrestricted	<u>59,407</u>	<u>5,144,249</u>
Total net position	<u><u>\$ 64,591</u></u>	<u><u>\$ 5,144,249</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Operating revenues:		
Sales/charges for services	\$ 1,674,361	\$ 17,670,980
Total operating revenues	<u>1,674,361</u>	<u>17,670,980</u>
Operating expenses:		
Personal services	572,077	34,388
Purchased services	1,004,122	3,007,769
Materials and supplies	195,356	19,440
Other	1,680	-
Claims	-	12,089,524
Total operating expenses	<u>1,773,235</u>	<u>15,151,121</u>
Operating income (loss)	<u>(98,874)</u>	<u>2,519,859</u>
Change in net position	(98,874)	2,519,859
Net position as previously reported	270,236	2,624,390
Restatement - change in accounting principle	<u>(106,771)</u>	<u>-</u>
Net position at beginning of year, restated	<u>163,465</u>	<u>2,624,390</u>
Net position at end of year	<u>\$ 64,591</u>	<u>\$ 5,144,249</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Community Education Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities:		
Cash received from sales/charges for services	\$ 1,674,361	\$ -
Cash received from interfund services provided	- -	17,670,980
Cash payments for personal services	(629,298)	(34,388)
Cash payments for contractual services	(1,005,260)	(3,007,769)
Cash payments for materials and supplies	(132,254)	(19,440)
Cash payments for other expenses	(1,680)	- -
Cash payments for claims	- -	<u>(12,016,246)</u>
Net cash provided by (used in) operating activities	<u>(94,131)</u>	<u>2,593,137</u>
Net increase (decrease) in cash and investments	(94,131)	2,593,137
Cash and investments at beginning of year	<u>1,307,339</u>	<u>3,774,521</u>
Cash and investments at end of year	<u>\$ 1,213,208</u>	<u>\$ 6,367,658</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (98,874)	\$ 2,519,859
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
Prepayments	77	(2)
Net OPEB asset	2,281	- -
Deferred outflows - pension	30,505	- -
Deferred outflows - OPEB	33,423	- -
Accounts payable	61,964	- -
Accrued wages and benefits payable	3,355	- -
Intergovernmental payable	(464)	280
Compensated absences payable	(27,464)	- -
Pension obligation payable	(1,533)	- -
Claims payable	- -	73,000
Net pension liability	(65,605)	- -
Net OPEB liability	(82,821)	- -
Deferred inflows - pension	34,387	- -
Deferred inflows - OPEB	16,638	- -
Net cash provided by (used in) operating activities	<u>\$ (94,131)</u>	<u>\$ 2,593,137</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025**

	<u>Custodial</u>
Assets:	
Equity in pooled cash and investments	\$ 644,791
Receivables:	
Intergovernmental	853,818
Prepayments	300
Total assets	<u>1,498,909</u>
Liabilities:	
Accounts payable	5,255
Accrued wages and benefits payable	7,924
Pension obligation payable	3,770
Total liabilities	<u>16,949</u>
Net position:	
Restricted for individuals, organizations and other governments	<u>1,481,960</u>
Total net position	<u><u>\$ 1,481,960</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Custodial</u>
Additions:	
Amounts received as fiscal agent	\$ 3,614,008
Deductions:	
Distributions as fiscal agent	<u>2,653,137</u>
Change in net position	960,871
Net position at beginning of year	<u>521,089</u>
Net position at end of year	<u><u>\$ 1,481,960</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The District employs 263 non-certified and 393 certified employees (including administrators) to provide services to approximately 4,550 students and community members.

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

A. Reporting Entity

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

JOINTLY GOVERNED ORGANIZATION

Six District Educational Compact (the “Compact”)

The Compact is a jointly governed organization to provide for the vocational needs of the students of six participating school districts. The six member Board consists of the superintendent from each of the participating school districts. Students may attend any vocational class offered by any of the six school districts. Hudson City School District serves as fiscal and administrative agent for the Compact, collecting and distributing payments pertaining to the administrative portion of the agreement. The Board exercises total control over the operations of the compact, including budgeting, appropriating, contracting and designating management. Separately issued financial statements are available by writing to the Hudson City School District Treasurer/CFO at 76 N. Hayden Parkway, Hudson, Ohio 44236.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following is the District's major governmental fund:

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

Other governmental funds of the District are used to account for:

Nonmajor special revenue funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Nonmajor capital projects funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service funds – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for the fiscal agent activity for the Six District Educational Compact.

C. Basis of Presentation and Measurement Focus

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

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

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

D. Basis of Accounting

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

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

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased tax) rates. By no later than January 20, the Board-adopted budget is filed with Summit County Budget Commission for rate determination. The Summit County Budget Commission waived this requirement for fiscal year 2025.

Estimated Resources:

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

Appropriations:

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

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

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

Lapsing of Appropriations:

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

F. Cash and Investments

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

During fiscal year 2025, investments included negotiable certificates of deposit, commercial paper, U.S. Treasury Notes, U.S. Government agency securities, U.S. Government money market funds, sweep accounts, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and non-negotiable certificates of deposit, are reported at cost.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2025, including change in fair value of investments, amounted to \$2,329,736, which includes \$810,268 assigned from other District funds.

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

An analysis of the District's investment account at fiscal year end is provided in Note 3.

G. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2025 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

H. Inventory

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District's maintains a capitalization threshold of \$5,000. Interest is not capitalized in the governmental funds and the District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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

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

J. Interfund Balances

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

K. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences: vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and certificates of participation are recognized as a liability on the fund financial statements when due. A net pension liability and net OPEB liability is recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

M. Fund Balance

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

N. Net Position

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

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

O. Estimates

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities.

Q. Nonpublic Schools

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

R. Unamortized Debt Premiums and Deferred Charges on Debt Refunding

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

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

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

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2025.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

U. Fair Value

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

NOTE 2 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2025, the District has implemented GASB Statement No. 101, “Compensated Absences” and GASB Statement No. 102, “Certain Risk Disclosures”.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA Part B	\$ 59,450
Title III	639
Title I	8,356
EHA Preschool Grant	1,158

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

C. Restatement of Net Position

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, “Compensated Absences”. The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as “restatement - change in accounting principle”.

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain banker's acceptance for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledge to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

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

B. Deposits with Financial Institutions

At June 30, 2025, the carrying amount of all District deposits was \$2,149,703 and the bank balance was \$2,551,433. Of the bank balance, \$263,191 was covered by the FDIC and \$2,288,242 was potentially exposed to custodial credit risk discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by: (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured; or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2025, the District's financial institutions were approved for a reduced collateral rate of 85 percent through the OPCS.

C. Investments

As of June 30, 2025, the District had the following investments and maturities:

Measurement/ Investment Type	Measurement Value	Maturities		
		Less than 1 year	1-2 years	More than 2 years
<i>Fair value:</i>				
Commercial paper	\$ 2,098,437	\$ 2,098,437	\$ -	\$ -
U.S. Treasury notes	9,607,394	-	-	9,607,394
Negotiable CDs	5,200,526	2,225,280	1,254,708	1,720,538
U.S. Government agency securities	13,666,579	3,271,723	2,263,926	8,130,930
U.S. Government money market	737,776	737,776	-	-
Sweep account	603,233	603,233	-	-
<i>Amortized cost:</i>				
STAR Ohio	<u>17,466,008</u>	<u>17,466,008</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 49,379,953</u>	<u>\$ 26,402,457</u>	<u>\$ 3,518,634</u>	<u>\$ 19,458,862</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less, unless matched to a specific obligation or debt of the District. The weighted average maturity of investments is approximately 1.37 years, or 501 days.

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

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held at June 30, 2025:

<u>Measurement/ Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 2,098,437	4.25
U.S. Treasury notes	9,607,394	19.46
Negotiable CDs	5,200,526	10.53
U.S. Government agency securities	13,666,579	27.68
U.S. Government money market	737,776	1.49
Sweep account	603,233	1.22
<i>Amortized cost:</i>		
STAR Ohio	<u>17,466,008</u>	<u>35.37</u>
Total	<u>\$ 49,379,953</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2025:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,149,703
Investments	49,379,953
Cash on hand	<u>1,300</u>
Total	<u>\$ 51,530,956</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per statement of net position</u>		
Governmental activities	\$ 49,672,957	
Business type activities	1,213,208	
Custodial funds	644,791	
 Total	 <u>\$ 51,530,956</u>	

NOTE 4 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2025, as reported on the fund statements consist of the following amounts due to/from other funds:

<u>Receivable fund:</u>	<u>Payable fund:</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 134,283

The primary purpose of the due to/from other funds is to cover deficit cash balances due to the advance spending of approved grant monies. The interfund balances will be repaid once the anticipated revenues are received, which is expected to be within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2025 are reported on the statement of net position.

B. Interfund transfers for the fiscal year ended June 30, 2025, consisted of the following, as reported on the fund statements:

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 119,000
Nonmajor governmental funds	Nonmajor governmental funds	<u>2,019,024</u>
Total		<u>\$ 2,138,024</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The purpose of the general fund transfers was to subsidize extracurricular activities accounted for in the athletics and music fund. The Board of Education approved a \$1,919,024 transfer from the building fund to the bond retirement fund for fiscal year 2025; this is an annual transfer of shared revenues in an amount necessary to ensure sufficient resources to cover the required debt payments on the District's certificates of participation. Another \$100,000 transfer was approved from the building fund to the permanent improvement fund which was done in order to use excess cash from shared revenues to cover expenditures for athletic complex improvements. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 5 - PROPERTY TAXES

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Public utility real and personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations.

The amount available as an advance at June 30, 2025 and 2024 were:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 3,451,698	\$ 2,500,328
Nonmajor governmental funds:		
Bond retirement fund	240,590	192,730
Permanent improvement fund	83,475	62,553

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 5 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,589,456,250	97.98	\$ 1,599,453,980	97.91
Public utility personal	<u>32,789,900</u>	<u>2.02</u>	<u>34,201,230</u>	<u>2.09</u>
Total	<u><u>\$ 1,622,246,150</u></u>	<u><u>100.00</u></u>	<u><u>\$ 1,633,655,210</u></u>	<u><u>100.00</u></u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$ 92.43		\$ 95.43	
Debt service	2.95		2.83	
Permanent improvement	1.50		1.50	

NOTE 6 - RECEIVABLES

Receivables at June 30, 2025, as reported on the statement of net position, consisted of property taxes, payments in lieu of taxes, accrued interest, and intergovernmental grants and entitlements. Receivables have been disaggregated on the face of the basic financial statements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. All receivables are expected to be collected within the subsequent year.

THIS SPACE IS INTENTIONALLY LEFT BLANK

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025 was as follows:

	<u>Balance</u>	<u>06/30/24</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>	<u>06/30/25</u>
Governmental activities:						
<i>Capital assets, not being depreciated/amortized:</i>						
Land	\$ 1,022,386	\$ -	\$ -	\$ -	\$ 1,022,386	
Total capital assets, not being depreciated/amortized	<u>1,022,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,022,386</u>	
<i>Capital assets, being depreciated/amortized:</i>						
Land improvements	11,769,342	277,247	-	-	12,046,589	
Buildings and improvements	165,260,472	1,323,961	-	-	166,584,433	
Furniture and equipment	7,063,928	71,686	(17,444)	-	7,118,170	
Vehicles	3,247,606	47,562	-	-	3,295,168	
Lease assets - buildings	256,792	-	-	-	256,792	
Lease assets - equipment	1,399,058	-	-	-	1,399,058	
Subscription assets	215,850	-	(38,202)	-	177,648	
Total capital assets, being depreciated/amortized	<u>189,213,048</u>	<u>1,720,456</u>	<u>(55,646)</u>	<u>-</u>	<u>190,877,858</u>	
<i>Less: accumulated depreciation/amortization</i>						
Land improvements	(5,439,287)	(395,453)	-	-	(5,834,740)	
Buildings and improvements	(50,878,288)	(4,615,116)	-	-	(55,493,404)	
Furniture and equipment	(4,641,534)	(645,981)	11,457	-	(5,276,058)	
Vehicles	(2,670,993)	(155,330)	-	-	(2,826,323)	
Lease assets - buildings	(154,075)	(51,358)	-	-	(205,433)	
Lease assets - equipment	(839,435)	(279,812)	-	-	(1,119,247)	
Subscription assets	(63,167)	(43,133)	38,202	-	(68,098)	
Total accumulated depreciation/amortization	<u>(64,686,779)</u>	<u>(6,186,183)</u>	<u>49,659</u>	<u>-</u>	<u>(70,823,303)</u>	
Total capital assets, being depreciated/amortized, net	<u>124,526,269</u>	<u>(4,465,727)</u>	<u>(5,987)</u>	<u>-</u>	<u>120,054,555</u>	
Governmental activities capital assets, net	<u>\$ 125,548,655</u>	<u>\$ (4,465,727)</u>	<u>\$ (5,987)</u>	<u>\$ -</u>	<u>\$ 121,076,941</u>	

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 7 - CAPITAL ASSETS - (Continued)

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

Instruction:

Regular	\$ 3,922,079
Special	151,190
Vocational	110,631

Support services:

Pupil	58,577
Instructional staff	198,647
Administration	156,463
Fiscal	22,839
Business	3,454
Operations and maintenance	212,124
Pupil transportation	157,844
Extracurricular activities	1,120,026
Food service operations	<u>72,309</u>
Total	<u><u>\$ 6,186,183</u></u>

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

Capital assets, net	\$ 121,076,941
Less capital-related debt:	
Certificates of participation	(9,800,000)
School improvement bonds	(67,850,000)
Lease liability	(344,349)
Subscription liability	(108,257)
Notes payable	(4,330,000)
Unamortized premium on debt issuances	(826,904)
Capital assets on account	(25,000)
Add: deferred outflows of resources - unamortized deferred charges on debt refunding	
	<u>883,164</u>
Net investment in capital assets	<u>\$ 38,675,595</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 - LONG-TERM OBLIGATIONS

A. During fiscal year 2025, the following changes occurred in the District's long-term obligations.

	Restated*		Balance Outstanding 06/30/24	Additions	Deletions	Balance Outstanding 06/30/25	Amount Due in One Year					
	Balance	Outstanding										
	06/30/24											
Governmental activities:												
<u>Certificates of participation:</u>												
Series 2022 refunding	\$ 10,620,000	\$ -	\$ (820,000)	\$ 9,800,000	\$ 870,000							
<u>General obligation bonds:</u>												
Qualified school construction bonds	170,000	-	(170,000)	-	-	-						
School improvement bonds	69,620,000	-	(1,770,000)	67,850,000	1,815,000							
Total bonds and certificates of participation	80,410,000	-	(2,760,000)	77,650,000	2,685,000							
Lease liability	681,684	-	(337,335)	344,349	344,349							
Subscription liability	141,751	-	(33,494)	108,257	34,757							
Notes payable	4,790,000	-	(460,000)	4,330,000	475,000							
Compensated absences*	20,119,098	846,856	-	20,965,954	2,182,865							
Net pension liability	70,594,376	-	(6,814,155)	63,780,221	-							
Net OPEB liability	4,464,153	-	(1,792,430)	2,671,723	-							
Total, governmental activities	181,201,062	846,856	(12,197,414)	169,850,504	5,721,971							
Unamortized premiums	3,722,020	-	(212,411)	3,509,609	-							
Total on statement of net position	\$ 184,923,082	\$ 846,856	\$ (12,409,825)	\$ 173,360,113	\$ 5,721,971							

	Restated*		Balance Outstanding 06/30/24	Additions	Deletions	Balance Outstanding 06/30/25	Amount Due in One Year					
	Balance	Outstanding										
	06/30/24											
Business-type activities:												
<u>Compensated absences*</u>												
Compensated absences*	\$ 155,466	\$ -	\$ (27,464)	\$ 128,002	\$ 25,904							
Net pension liability	805,739	-	(65,604)	740,135	-							
Net OPEB liability	221,763	-	(82,821)	138,942	-							
Total, business-type activities	\$ 1,182,968	\$ -	\$ (175,889)	\$ 1,007,079	\$ 25,904							

* As a result of implementing GASB Statement No. 101 (see Note 2), the compensated absences liability as of June 30, 2024 has been restated. In addition, the change in compensated absences liability is reported as a net change.

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Certificates of Participation, Series 2022 Refunding

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

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

Qualified School Construction Bonds

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

School Improvement Bonds

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

Lease Liability

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

Subscription Liability

The District has entered into agreements for the right to use software. Due to the implementation of GASB Statement No. 96, the District will report an intangible right-to-use capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription term for these agreements is 3 - 5 years. Subscription payments are reflected as debt service expenditures for the general fund in the basic financial statements.

Notes Payable

On April 10, 2023, the District entered into a financed purchase agreement to provide funding for HVAC improvements District-wide. The original issuance amount was \$5,300,000 and the interest rate is 3.604%. The notes mature on December 1, 2032. Payments are made from the bond retirement fund (a nonmajor governmental fund).

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the certificates of participation outstanding at June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 870,000	\$ 392,000	\$ 1,262,000
2027	915,000	357,200	1,272,200
2028	970,000	320,600	1,290,600
2029	1,020,000	281,800	1,301,800
2030	1,080,000	241,000	1,321,000
2031 - 2034	4,945,000	508,200	5,453,200
Total	\$ 9,800,000	\$ 2,100,800	\$ 11,900,800

C. Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>School Improvement Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,815,000	\$ 2,711,925	\$ 4,526,925
2027	1,860,000	2,642,738	4,502,738
2028	1,955,000	2,547,363	4,502,363
2029	2,050,000	2,447,238	4,497,238
2030	2,155,000	2,342,113	4,497,113
2031 - 2035	12,255,000	10,253,690	22,508,690
2036 - 2040	14,910,000	7,545,590	22,455,590
2041 - 2045	18,145,000	4,250,490	22,395,490
2046 - 2048	12,705,000	709,895	13,414,895
Total	\$ 67,850,000	\$ 35,451,042	\$ 103,301,042

D. Principal and interest requirements to retire the lease liability and notes payable at June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Lease Liability</u>			<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 344,349	\$ 3,855	\$ 348,204	\$ 475,000	\$ 147,494	\$ 622,494
2027	-	-	-	495,000	130,014	625,014
2028	-	-	-	510,000	111,904	621,904
2029	-	-	-	530,000	93,163	623,163
2030	-	-	-	550,000	73,702	623,702
2031 - 2033	-	-	-	1,770,000	97,127	1,867,127
Total	\$ 344,349	\$ 3,855	\$ 348,204	\$ 4,330,000	\$ 653,404	\$ 4,983,404

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

E. Principal and interest requirements to retire the subscription liability at June 30, 2025, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Subscription Liability</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 34,757	\$ 2,251	\$ 37,008
2027	36,068	1,529	37,597
2028	<u>37,432</u>	<u>778</u>	<u>38,210</u>
Total	<u>\$ 108,257</u>	<u>\$ 4,558</u>	<u>\$ 112,815</u>

F. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025, are a voted debt margin of \$84,132,086 (including available funds of \$4,953,117) and an unvoted debt margin of \$1,633,655.

NOTE 9 - COMPENSATED ABSENCES

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

NOTE 10 - RISK MANAGEMENT

A. General Insurance

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - RISK MANAGEMENT - (Continued)

B. Fidelity Bond

The Treasurer is covered under a surety bond in the amount of \$50,000. The Treasurer and Business Manager are covered under an employee dishonesty policy with faithful performance of duty in the amount of \$100,000 with a \$2,500 deductible.

C. Employee Health Insurance

The District has elected to provide employee medical and prescription benefits through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in this program. This plan provides a medical plan with a \$400 family and \$200 single deductible. A third party administrator reviews and processes all claims for payment. Medical Mutual of Ohio is the claims administrator for medical claims. RxBenefits is the claims administrator for prescription claims. The District provides fully insured dental coverage through Delta Dental of Ohio preferred provider organization. Employees are offered two plan options, a High and a Low plan. Both plans have a \$25 deductible per person annual deductible capped at \$50 per family. The District purchases stop-loss coverage for the medical/prescription coverage of \$150,000 per individual and \$1,000,000 for the aggregate maximum limit of reimbursement liability.

The District pays into the self-insurance internal service fund for full-time medical and prescription drug family coverage of \$2,875 per month for certified, classified and administrative employees. Single coverage full-time costs are \$1,311 monthly for certified, classified and administrative employees. Employees are considered part-time if they work 17.5 or more hours per week for certified staff or 25 or more hours per week for classified staff and administrators and less than 35 hours per week. Part-time employees are eligible for family and single coverage. The premiums for part-time employees are prorated according to hours worked per week for certified employees and classified employees.

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

Dental coverage is provided on a fully-insured basis through Delta Dental of Ohio. There are two dental plans; Low plan and High plan. For this coverage, the District pays \$56 and \$106 per month under the Low and High plans, respectively, for family coverage and \$18 and \$38 per month under the Low and High plans, respectively, for single coverage for certified employees. Premiums for classified employees are prorated according to hours worked per 35-hour week with premiums ranging from \$39 to \$101 for family coverage and \$12 to \$34 for single coverage. Employees working 17.5 or more hours per week for certified staff or 25 hours per week for classified and administrative staff are eligible for dental coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages of fixed rates established in each plan.

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 - RISK MANAGEMENT - (Continued)

The claims liability of \$1,220,000 reported in the internal service fund at June 30, 2024, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2025	\$ 1,147,000	\$ 12,089,246	\$ (12,016,246)	\$ 1,220,000
2024	1,134,000	11,516,048	(11,503,048)	1,147,000

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

D. Workers' Compensation

The District participates in a workers' compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. Sedgwick is the program's third-party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through the group retrospective rating. The District has chosen to participate in the group rating program for fiscal year 2025. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

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

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

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims and Changes In Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2025	\$ 14,100	\$ 14,492	\$ (23,171)	\$ 5,421
2024	11,020	7,796	(4,716)	14,100

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

The net pension/OPEB liability (asset) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar year 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,627,323 for fiscal year 2025. Of this amount, \$88,060 is reported as a liability.

Plan Description - State Teachers Retirement System (STRS)

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all of their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$5,292,190 for fiscal year 2025. Of this amount, \$928,165 is reported as a liability.

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.276516626%	0.260605103%	
Proportion of the net pension liability current measurement date	<u>0.271882305%</u>	<u>0.263033817%</u>	
Change in proportionate share	<u>-0.004634321%</u>	<u>0.002428714%</u>	
Proportionate share of the net pension liability	\$ 13,908,400	\$ 50,611,956	\$ 64,520,356
Pension expense	\$ 1,071,987	\$ 2,749,944	\$ 3,821,931

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 531,010	\$ 3,187,231	\$ 3,718,241
Changes of assumptions	124,422	2,332,477	2,456,899
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	59,415	296,827	356,242
Contributions subsequent to the measurement date	<u>1,627,323</u>	<u>5,292,190</u>	<u>6,919,513</u>
Total deferred outflows of resources	<u>\$ 2,342,170</u>	<u>\$ 11,108,725</u>	<u>\$ 13,450,895</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 27,716	\$ 27,716
Net difference between projected and actual earnings on pension plan investments	869,962	4,351,596	5,221,558
Changes of assumptions	- -	1,755,684	1,755,684
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>280,768</u>	<u>280,407</u>	<u>561,175</u>
Total deferred inflows of resources	<u><u>\$ 1,150,730</u></u>	<u><u>\$ 6,415,403</u></u>	<u><u>\$ 7,566,133</u></u>

\$6,919,513 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Fiscal Year Ending June 30:</i>			
2026	\$ (772,277)	\$ (2,966,887)	\$ (3,739,164)
2027	774,473	4,623,773	5,398,246
2028	(182,266)	(1,306,309)	(1,488,575)
2029	<u>(255,813)</u>	<u>(949,445)</u>	<u>(1,205,258)</u>
Total	<u><u>\$ (435,883)</u></u>	<u><u>\$ (598,868)</u></u>	<u><u>\$ (1,034,751)</u></u>

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or ad hoc COLA	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement
Investment rate of return	7.00% net of investment expenses	7.00% net of investment expenses
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)

In 2024, mortality rates were based on the following:

Service Retirement: PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Disabled Retirement: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Contingent Survivor: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (geometric)</u>
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

Discount Rate - Total pension liability for 2024 was calculated using the discount rate of 7.00%. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31%.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 21,277,929	\$ 13,908,400	\$ 7,703,657

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017	0.00%, effective July 1, 2017

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

* Final target weights reflected at October 1, 2022.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 81,645,955	\$ 50,611,956	\$ 24,362,525

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$199,668.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$199,668 for fiscal year 2025 which is reported as a liability.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2024, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.284435324%	0.260605103%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.275962501%</u>	<u>0.263033817%</u>	
Change in proportionate share	<u>-0.008472823%</u>	<u>0.002428714%</u>	
Proportionate share of the net OPEB liability	\$ 2,810,665	\$ -	\$ 2,810,665
Proportionate share of the net OPEB (asset)	\$ -	\$ (4,989,249)	\$ (4,989,249)
OPEB expense	\$ (285,315)	\$ (1,060,586)	\$ (1,345,901)

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 216,894	\$ 216,894
Net difference between projected and actual earnings on OPEB plan investments	13,721	-	13,721
Changes of assumptions	1,206,338	614,107	1,820,445
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	75,060	24,351	99,411
Contributions subsequent to the measurement date	<u>199,668</u>	<u>-</u>	<u>199,668</u>
Total deferred outflows of resources	<u><u>\$ 1,494,787</u></u>	<u><u>\$ 855,352</u></u>	<u><u>\$ 2,350,139</u></u>
 Deferred inflows of resources			
Differences between expected and actual experience	\$ 3,030,626	\$ 537,685	\$ 3,568,311
Net difference between projected and actual earnings on OPEB plan investments	-	214,222	214,222
Changes of assumptions	1,291,115	2,250,122	3,541,237
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>772,219</u>	<u>17,318</u>	<u>789,537</u>
Total deferred inflows of resources	<u><u>\$ 5,093,960</u></u>	<u><u>\$ 3,019,347</u></u>	<u><u>\$ 8,113,307</u></u>

\$199,668 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2026.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	\$ (922,736)	\$ (757,972)	\$ (1,680,708)
2027	(700,791)	(329,724)	(1,030,515)
2028	(529,831)	(427,515)	(957,346)
2029	(441,036)	(401,582)	(842,618)
2030	(436,906)	(325,448)	(762,354)
Thereafter	<u>(767,541)</u>	<u>78,246</u>	<u>(689,295)</u>
Total	<u><u>\$ (3,798,841)</u></u>	<u><u>\$ (2,163,995)</u></u>	<u><u>\$ (5,962,836)</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023 are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00% net of investment expense, including inflation	7.00% net of investment expense, including inflation
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal bond index rate	3.93%	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation	4.88%	4.27%
Medical trend assumption	7.00 to 4.40%	6.75 to 4.40%

In 2024, the following mortality assumptions were used:

Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, the following mortality assumptions were used:

Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

Mortality Projection - Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target asset allocation and best estimates of geometric real rates of return for each major asset class of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (geometric)</u>
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 3,747,922	\$ 2,810,665	\$ 2,065,888
<hr/>			
District's proportionate share of the net OPEB liability	Current		
	1% Decrease	Trend Rate	1% Increase
	\$ 1,899,905	\$ 2,810,665	\$ 4,007,786

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024		June 30, 2023	
	Initial	Ultimate	Initial	Ultimate
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.00%	
Health care cost trends				
Medical				
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-11.95%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	7.50%	3.94%	1.33%	4.14%

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u><u>100.00 %</u></u>	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 4,056,589	\$ 4,989,249	\$ 5,800,866
<hr/>			
District's proportionate share of the net OPEB asset	Current		
	1% Decrease	Trend Rate	1% Increase
	\$ 5,855,690	\$ 4,989,249	\$ 3,947,241

NOTE 13 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2025, if applicable, cannot be determined at this time.

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODEW has not finalized the impact of enrollment adjustments to the June 30, 2025 Foundation funding for the District; however, the final adjustment was immaterial and has not been included in the financial statements.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 14 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2024	\$ -
Current year set-aside requirement	1,052,410
Current year offsets	<u>(1,589,371)</u>
Total	<u>\$ (536,961)</u>
Balance carried forward to fiscal year 2026	<u>\$ -</u>
Set-aside balance June 30, 2025	<u>\$ -</u>

NOTE 15 - COOPERATIVE AGREEMENT

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

The City of Hudson shall make payments to the District in an amount sufficient to enable the District to make timely debt service payments on the Certificates of Participation that were issued by the District to finance improvement costs associated with the Community Learning Centers. The City of Hudson shall also make payments to the District in which the funds will be applied to pay costs of improvements to the Community Learning Centers, as detailed in the agreement. The District received \$2,237,804 from the City of Hudson during fiscal year 2025 as a result of this agreement. This revenue is reported in the bond retirement fund and building fund (nonmajor governmental funds).

NOTE 16 - OTHER COMMITMENTS

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 16 - OTHER COMMITMENTS - (Continued)

<u>Fund</u>	<u>Year-End</u> <u>Encumbrances</u>
General	\$ 199,230
Nonmajor governmental funds	<u>132,168</u>
Total	<u><u>\$ 331,398</u></u>

NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

The City of Hudson and the Village of Boston Heights have entered into agreements with local businesses for the abatement of property taxes to bring jobs and economic development into the area. These agreements affect the property tax receipts collected and distributed to the District. As a result of the agreements, the District's property tax revenues were reduced by \$2,176,972 during fiscal year 2025. The District received \$561,142 as compensation for the foregone taxes, which is recorded as payment in lieu of taxes revenue in the general fund.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - over (under) Actual Amounts
	Original	Final		
Budgetary revenues and other financing sources	\$ 85,803,172	\$ 81,006,024	\$ 82,228,368	\$ 1,222,344
Budgetary expenditures and other financing uses	<u>80,427,999</u>	<u>83,927,999</u>	<u>81,424,941</u>	<u>(2,503,058)</u>
Net change in fund balance	5,375,173	(2,921,975)	803,427	3,725,402
Budgetary fund balance at beginning of year	28,993,976	28,993,976	28,993,976	-
Prior year encumbrances appropriated	<u>927,999</u>	<u>927,999</u>	<u>927,999</u>	<u>-</u>
Budgetary fund balance at end of year	<u><u>\$ 35,297,148</u></u>	<u><u>\$ 27,000,000</u></u>	<u><u>\$ 30,725,402</u></u>	<u><u>\$ 3,725,402</u></u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.27188231%	\$ 13,908,400	\$ 11,487,493	121.07%	78.52%
2024	0.27651663%	15,278,970	10,993,936	138.98%	76.06%
2023	0.27841396%	15,058,793	10,459,507	143.97%	75.82%
2022	0.28272322%	10,431,666	9,723,436	107.28%	82.86%
2021	0.28834221%	19,071,560	10,131,943	188.23%	68.55%
2020	0.29541091%	17,674,953	10,138,222	174.34%	70.85%
2019	0.28519554%	16,333,677	9,670,867	168.90%	71.36%
2018	0.29791068%	17,799,504	9,503,179	187.30%	69.50%
2017	0.30361027%	22,221,471	9,477,429	234.47%	62.98%
2016	0.30686400%	17,509,957	9,238,209	189.54%	69.16%

Fiscal Year	Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,627,323	\$ (1,627,323)	\$ -	\$ 11,623,736	14.00%
2024	1,608,249	(1,608,249)	-	11,487,493	14.00%
2023	1,539,151	(1,539,151)	-	10,993,936	14.00%
2022	1,464,331	(1,464,331)	-	10,459,507	14.00%
2021	1,361,281	(1,361,281)	-	9,723,436	14.00%
2020	1,418,472	(1,418,472)	-	10,131,943	14.00%
2019	1,368,660	(1,368,660)	-	10,138,222	13.50%
2018	1,305,567	(1,305,567)	-	9,670,867	13.50%
2017	1,330,445	(1,330,445)	-	9,503,179	14.00%
2016	1,326,840	(1,326,840)	-	9,477,429	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.26303382%	\$ 50,611,956	\$ 36,871,700	137.27%	82.55%
2024	0.26060510%	56,121,146	35,798,857	156.77%	80.02%
2023	0.26117345%	58,059,188	33,870,200	171.42%	78.88%
2022	0.26170702%	33,461,594	32,517,707	102.90%	87.78%
2021	0.25972306%	62,843,739	31,407,457	200.09%	75.48%
2020	0.26030856%	57,565,674	30,750,714	187.20%	77.40%
2019	0.25987515%	57,140,711	30,104,143	189.81%	77.31%
2018	0.25609999%	60,837,103	28,118,971	216.36%	75.30%
2017	0.25761786%	86,232,462	27,306,064	315.80%	66.80%
2016	0.26310210%	72,713,725	27,781,386	261.74%	72.10%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 5,292,190	\$ (5,292,190)	\$ -	\$ 37,801,357	14.00%
2024	5,162,038	(5,162,038)	-	36,871,700	14.00%
2023	5,011,840	(5,011,840)	-	35,798,857	14.00%
2022	4,741,828	(4,741,828)	-	33,870,200	14.00%
2021	4,552,479	(4,552,479)	-	32,517,707	14.00%
2020	4,397,044	(4,397,044)	-	31,407,457	14.00%
2019	4,305,100	(4,305,100)	-	30,750,714	14.00%
2018	4,214,580	(4,214,580)	-	30,104,143	14.00%
2017	3,936,656	(3,936,656)	-	28,118,971	14.00%
2016	3,822,849	(3,822,849)	-	27,306,064	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.27596250%	\$ 2,810,665	\$ 11,487,493	24.47%	44.50%
2024	0.28443532%	4,685,916	10,993,936	42.62%	30.02%
2023	0.28495198%	4,000,755	10,459,507	38.25%	30.34%
2022	0.29155121%	5,517,846	9,723,436	56.75%	24.08%
2021	0.29903036%	6,498,908	10,131,943	64.14%	18.17%
2020	0.30203100%	7,595,445	10,138,222	74.92%	15.57%
2019	0.28908086%	8,019,884	9,670,867	82.93%	13.57%
2018	0.30216347%	8,109,274	9,503,179	85.33%	12.46%
2017	0.30907880%	8,809,889	9,477,429	92.96%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 199,668	\$ (199,668)	\$ -	\$ 11,623,736	1.72%
2024	192,128	(192,128)	-	11,487,493	1.67%
2023	207,418	(207,418)	-	10,993,936	1.89%
2022	187,475	(187,475)	-	10,459,507	1.79%
2021	187,391	(187,391)	-	9,723,436	1.93%
2020	191,180	(191,180)	-	10,131,943	1.89%
2019	231,742	(231,742)	-	10,138,222	2.29%
2018	203,392	(203,392)	-	9,670,867	2.10%
2017	164,889	(164,889)	-	9,503,179	1.74%
2016	155,709	(155,709)	-	9,477,429	1.64%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2025	0.26303382%	\$ (4,989,249)	\$ 36,871,700	13.53%	158.01%
2024	0.26060510%	(5,068,409)	35,798,857	14.16%	168.52%
2023	0.26117345%	(6,762,649)	33,870,200	19.97%	230.73%
2022	0.26170702%	(5,517,878)	32,517,707	16.97%	174.73%
2021	0.25972306%	(4,564,632)	31,407,457	14.53%	182.10%
2020	0.26030856%	(4,311,334)	30,750,714	14.02%	174.74%
2019	0.25987515%	(4,175,928)	30,104,143	-13.87%	176.00%
2018	0.25609999%	9,992,076	28,118,971	35.53%	47.10%
2017	0.25926828%	13,865,735	27,306,064	50.78%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 37,801,357	0.00%
2024	-	-	-	36,871,700	0.00%
2023	-	-	-	35,798,857	0.00%
2022	-	-	-	33,870,200	0.00%
2021	-	-	-	32,517,707	0.00%
2020	-	-	-	31,407,457	0.00%
2019	-	-	-	30,750,714	0.00%
2018	-	-	-	30,104,143	0.00%
2017	-	-	-	28,118,971	0.00%
2016	-	-	-	27,306,064	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 - BUDGETARY PROCESS

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 803,427
Net adjustment for revenue and other financing sources accruals	1,217,816
Net adjustment for expenditure and other financing uses accruals	(232,649)
Funds budgeted elsewhere	91,309
Adjustments for encumbrances	<u>207,362</u>
GAAP Basis	<u><u>\$ 2,087,265</u></u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the special trust fund, the rotary fund, and the public school support fund.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375% - 4.75% to a range of 5.25% - 4.75% and Pre-Medicare were changed from a range of 7.25% - 4.75% to a range of 7.00% - 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*,” (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*” and (b) decrease in health care cost trend rates from 6.00% - 11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 16.18% initial - 4.00% ultimate to - 68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to - 5.47% initial - 3.94% ultimate.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 11.95% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

THIS PAGE IS INTENTIONALLY LEFT BLANK

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**FUND DESCRIPTIONS
GENERAL FUND**

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

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

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Rotary</u>			
Total Revenues and Other Financing Sources	\$ 460,000	\$ 610,885	\$ 150,885
Total Expenditures and Other Financing Uses	<u>719,932</u>	<u>540,921</u>	<u>(179,011)</u>
Net Change in Fund Balance	(259,932)	69,964	329,896
Fund Balance, July 1	241,350	241,350	-
Prior Year Encumbrances Appropriated	<u>107,232</u>	<u>107,232</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 88,650</u>	<u>\$ 418,546</u>	<u>\$ 329,896</u>
<u>Public School Support</u>			
Total Revenues and Other Financing Sources	\$ 260,032	\$ 260,943	\$ 911
Total Expenditures and Other Financing Uses	<u>472,970</u>	<u>320,078</u>	<u>(152,892)</u>
Net Change in Fund Balance	(212,938)	(59,135)	153,803
Fund Balance, July 1	249,968	249,968	-
Prior Year Encumbrances Appropriated	<u>25,970</u>	<u>25,970</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 63,000</u>	<u>\$ 216,803</u>	<u>\$ 153,803</u>
<u>Special Trust</u>			
Total Revenues and Other Financing Sources	\$ 17,259	\$ 20,088	\$ 2,829
Total Expenditures and Other Financing Uses	<u>40,579</u>	<u>20,399</u>	<u>(20,180)</u>
Net Change in Fund Balance	(23,320)	(311)	23,009
Fund Balance, July 1	20,892	20,892	-
Prior Year Encumbrances Appropriated	<u>2,428</u>	<u>2,428</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 23,009</u>	<u>\$ 23,009</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**FUND DESCRIPTIONS
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**FUND DESCRIPTIONS
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 3,007,947	\$ 4,712,527	\$ 3,811,415	\$ 11,531,889
Receivables:				
Property taxes	-	4,673,724	1,458,701	6,132,425
Accounts	1,850	-	-	1,850
Intergovernmental	289,798	-	652	290,450
Prepayments	2,908	-	-	2,908
Materials and supplies inventory	1,134	-	-	1,134
Inventory held for resale	12,629	-	-	12,629
Total assets	\$ 3,316,266	\$ 9,386,251	\$ 5,270,768	\$ 17,973,285
Liabilities:				
Accounts payable	\$ 28,909	\$ -	\$ 58,809	\$ 87,718
Contracts payable	-	-	25,000	25,000
Accrued wages and benefits payable	242,270	-	-	242,270
Matured compensated absences payable	8,937	-	-	8,937
Intergovernmental payable	920	-	-	920
Pension obligation payable	57,309	-	-	57,309
Due to other funds	134,283	-	-	134,283
Total liabilities	472,628	-	83,809	556,437
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	4,358,185	1,346,832	5,705,017
Delinquent property tax revenue not available	-	74,949	28,394	103,343
Intergovernmental revenue not available	71,411	-	-	71,411
Total deferred inflows of resources	71,411	4,433,134	1,375,226	5,879,771
Fund balances:				
Nonspendable:				
Materials and supplies inventory	1,134	-	-	1,134
Prepayments	2,908	-	-	2,908
Restricted:				
Debt service	-	4,953,117	-	4,953,117
Capital improvements	-	-	3,811,733	3,811,733
Food service operations	2,198,287	-	-	2,198,287
Non-public schools	16,347	-	-	16,347
State funded programs	20,005	-	-	20,005
Extracurricular activities	467,016	-	-	467,016
Other purposes	137,941	-	-	137,941
Unassigned (deficit)	(71,411)	-	-	(71,411)
Total fund balances	2,772,227	4,953,117	3,811,733	11,537,077
Total liabilities, deferred inflows of resources and fund balances	\$ 3,316,266	\$ 9,386,251	\$ 5,270,768	\$ 17,973,285

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 4,726,686	\$ 1,447,968	\$ 6,174,654
Intergovernmental	3,611,193	27,833	2,394,803	6,033,829
Investment earnings	90,826	-	-	90,826
Extracurricular	756,071	-	-	756,071
Charges for services	1,743,403	-	-	1,743,403
Contributions and donations	444,762	-	92,500	537,262
Miscellaneous	13,910	-	28,569	42,479
Total revenues	<u>6,660,165</u>	<u>4,754,519</u>	<u>3,963,840</u>	<u>15,378,524</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,581,121	-	502,589	2,083,710
Special	1,549,026	-	-	1,549,026
Vocational	2,136	-	-	2,136
Other	35,988	-	-	35,988
Support services:				
Pupil	6,929	-	-	6,929
Instructional staff	73,222	-	-	73,222
Administration	28,160	-	-	28,160
Fiscal	-	126,331	22,092	148,423
Operations and maintenance	20,543	-	2,541	23,084
Pupil transportation	-	-	71,114	71,114
Operation of non-instructional services:				
Food service operations	2,139,777	-	-	2,139,777
Other non-instructional services	283,101	-	-	283,101
Extracurricular activities	964,778	-	-	964,778
Facilities acquisition and construction	141	-	1,328,880	1,329,021
Debt service:				
Principal retirement	-	3,050,000	-	3,050,000
Interest and fiscal charges	-	3,345,880	-	3,345,880
Total expenditures	<u>6,684,922</u>	<u>6,522,211</u>	<u>1,927,216</u>	<u>15,134,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,757)</u>	<u>(1,767,692)</u>	<u>2,036,624</u>	<u>244,175</u>
Other financing sources (uses):				
Proceeds from sale of assets	-	-	1,543	1,543
Transfers in	119,000	1,919,024	100,000	2,138,024
Transfers (out)	-	-	(2,019,024)	(2,019,024)
Total other financing sources (uses)	<u>119,000</u>	<u>1,919,024</u>	<u>(1,917,481)</u>	<u>120,543</u>
Net change in fund balances	94,243	151,332	119,143	364,718
Fund balances at beginning of year	2,677,984	4,801,785	3,692,590	11,172,359
Fund balances at end of year	<u>\$ 2,772,227</u>	<u>\$ 4,953,117</u>	<u>\$ 3,811,733</u>	<u>\$ 11,537,077</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025**

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services
Assets:				
Equity in pooled cash and investments	\$ 132,024	\$ 66,333	\$ 407,349	\$ 26,210
Receivables:				
Accounts	-	-	1,850	-
Intergovernmental	-	-	-	-
Prepayments	-	-	51	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>132,024</u>	<u>66,333</u>	<u>409,250</u>	<u>26,210</u>
Liabilities:				
Accounts payable	\$ 6,069	\$ -	\$ 8,220	\$ 9,863
Accrued wages and benefits payable	-	-	-	-
Matured compensated absences payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Pension obligations payable	-	-	296	-
Due to other funds	-	-	-	-
Total liabilities	<u>6,069</u>	<u>-</u>	<u>8,516</u>	<u>9,863</u>
Deferred inflows of resources:				
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepayments	-	-	51	-
Restricted:				
Food service operations	-	-	-	-
Non-public schools	-	-	-	16,347
State funded programs	-	-	-	-
Extracurricular activities	-	66,333	400,683	-
Other purposes	125,955	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficits)	<u>125,955</u>	<u>66,333</u>	<u>400,734</u>	<u>16,347</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 132,024</u>	<u>\$ 66,333</u>	<u>\$ 409,250</u>	<u>\$ 26,210</u>

-- continued

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**
JUNE 30, 2025

	Other State Grants	IDEA Part B	Title III	Title I	EHA Preschool Grant
Assets:					
Equity in pooled cash and investments	\$ 20,005	\$ -	\$ -	\$ -	\$ -
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	257,096	1,872	16,780	2,397
Prepayments	-	1,580	16	172	40
Materials and supplies inventory	-	-	-	-	-
Inventory held for resale	-	-	-	-	-
Total assets	\$ 20,005	\$ 258,676	\$ 1,888	\$ 16,952	\$ 2,437
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 276	\$ -	\$ -
Accrued wages and benefits payable	-	94,855	1,309	14,719	2,061
Matured compensated absences payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Pension obligations payable	-	30,718	-	2,061	336
Due to other funds	-	131,523	287	-	-
Total liabilities	-	257,096	1,872	16,780	2,397
Deferred inflows of resources:					
Intergovernmental revenue not available	-	61,030	655	8,528	1,198
Total deferred inflows of resources	-	61,030	655	8,528	1,198
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	-	-
Prepayments	-	1,580	16	172	40
Restricted:					
Food service operations	-	-	-	-	-
Non-public schools	-	-	-	-	-
State funded programs	20,005	-	-	-	-
Extracurricular activities	-	-	-	-	-
Other purposes	-	-	-	-	-
Unassigned (deficit)	-	(61,030)	(655)	(8,528)	(1,198)
Total fund balances (deficits)	20,005	(59,450)	(639)	(8,356)	(1,158)
Total liabilities, deferred inflows of resources and fund balances	\$ 20,005	\$ 258,676	\$ 1,888	\$ 16,952	\$ 2,437

Supporting Effective Instruction	Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
\$ -	\$ 2,344,040	\$ 11,986	\$ 3,007,947
11,653	-	-	1,850
2	1,047	-	2,908
-	1,134	-	1,134
-	12,629	-	12,629
<u>\$ 11,655</u>	<u>\$ 2,358,850</u>	<u>\$ 11,986</u>	<u>\$ 3,316,266</u>
\$ 219	\$ 4,262	\$ -	\$ 28,909
8,961	120,365	-	242,270
-	8,937	-	8,937
-	920	-	920
-	23,898	-	57,309
<u>2,473</u>	<u>-</u>	<u>-</u>	<u>134,283</u>
<u>11,653</u>	<u>158,382</u>	<u>-</u>	<u>472,628</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>71,411</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>71,411</u>
-	1,134	-	1,134
2	1,047	-	2,908
-	2,198,287	-	2,198,287
-	-	-	16,347
-	-	-	20,005
-	-	-	467,016
-	-	11,986	137,941
-	-	-	(71,411)
<u>2</u>	<u>2,200,468</u>	<u>11,986</u>	<u>2,772,227</u>
<u>\$ 11,655</u>	<u>\$ 2,358,850</u>	<u>\$ 11,986</u>	<u>\$ 3,316,266</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Other Grants	Student Activities	Athletics and Music	Auxiliary Services	Data Communications
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,284,549	\$ 9,956
Investment earnings	- -	- -	- -	12,248	- -
Extracurricular	- -	77,332	678,739	- -	- -
Charges for services	- -	- -	- -	- -	- -
Contributions and donations	74,993	1,753	130,266	- -	- -
Miscellaneous	- -	- -	13,910	- -	- -
Total revenues	<u>74,993</u>	<u>79,085</u>	<u>822,915</u>	<u>1,296,797</u>	<u>9,956</u>
Expenditures:					
Current:					
Instruction:					
Regular	71,565	5,498	1,023	1,439,936	- -
Special	- -	- -	- -	- -	- -
Vocational	2,136	- -	- -	- -	- -
Other	- -	- -	- -	- -	9,956
Support services:					
Pupil	6,629	- -	- -	- -	- -
Instructional staff	8,484	- -	- -	- -	- -
Administration	- -	- -	- -	28,160	- -
Operations and maintenance	- -	- -	- -	- -	- -
Operation of non-instructional services:					
Food service operations	- -	- -	- -	- -	- -
Other non-instructional services	845	- -	- -	- -	- -
Extracurricular activities	24,645	67,304	872,829	- -	- -
Facilities acquisition and construction	141	- -	- -	- -	- -
Total expenditures	<u>114,445</u>	<u>72,802</u>	<u>873,852</u>	<u>1,468,096</u>	<u>9,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,452)</u>	<u>6,283</u>	<u>(50,937)</u>	<u>(171,299)</u>	<u>- -</u>
Other financing sources:					
Transfers in	- -	- -	119,000	- -	- -
Total other financing sources	- -	- -	119,000	- -	- -
Net change in fund balances	(39,452)	6,283	68,063	(171,299)	- -
Fund balances (deficits)					
at beginning of year	165,407	60,050	332,671	187,646	-
Fund balances (deficits) at end of year	<u>\$ 125,955</u>	<u>\$ 66,333</u>	<u>\$ 400,734</u>	<u>\$ 16,347</u>	<u>\$ -</u>

Other State Grants	Elementary and Secondary School Emergency Relief		IDEA Part B	Title III	Title I	EHA Preschool Grant	Supporting Effective Instruction	
\$ 20,005	\$ 104,802	\$ 1,519,124	\$ 13,522	\$ 111,117	\$ 21,087	\$ 45,117		
-	-	-	-	-	-	-		
-	-	-	-	-	-	-		
-	-	-	-	-	-	-		
-	-	-	-	-	-	-		
-	-	-	-	-	-	-		
20,005	104,802	1,519,124	13,522	111,117	21,087	45,117		
- 59,565	-	-	-	-	-	-		
- 123	1,410,896	8,692	108,628	20,687				
- -	-	-	-	-	-	-		
- -	26,032	-	-	-	-	-		
- 300	-	-	-	-	-	-		
- -	24,238	2,238	-	-	-	29,890		
- -	-	-	-	-	-	-		
- -	-	-	-	-	-	-		
- -	-	-	-	-	-	-		
- -	25,440	2,686	1,911	-	-	14,669		
- -	-	-	-	-	-	-		
- -	-	-	-	-	-	-		
- 59,988	1,486,606	13,616	110,539	20,687	44,559			
20,005	44,814	32,518	(94)	578	400	558		
- -	-	-	-	-	-	-		
- -	-	-	-	-	-	-		
20,005	44,814	32,518	(94)	578	400	558		
-	(44,814)	(91,968)	(545)	(8,934)	(1,558)	(556)		
\$ 20,005	\$ -	\$ (59,450)	\$ (639)	\$ (8,356)	\$ (1,158)	\$ 2		

-- continued

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Student Support and Academic Enrichment	Food Service	Other Special Revenue	Total Nonmajor Special Revenue Funds
Revenues:				
Intergovernmental	\$ 10,172	\$ 471,742	\$ -	\$ 3,611,193
Investment earnings	-	78,578	-	90,826
Extracurricular	-	-	-	756,071
Charges for services	-	1,743,403	-	1,743,403
Contributions and donations	-	-	237,750	444,762
Miscellaneous	-	-	-	13,910
Total revenues	10,172	2,293,723	237,750	6,660,165
Expenditures:				
Current:				
Instruction:				
Regular	-	-	3,534	1,581,121
Special	-	-	-	1,549,026
Vocational	-	-	-	2,136
Other	-	-	-	35,988
Support services:				
Pupil	-	-	-	6,929
Instructional staff	8,372	-	-	73,222
Administration	-	-	-	28,160
Operations and maintenance	-	20,543	-	20,543
Operation of non-instructional services:				
Food service operations	-	2,139,777	-	2,139,777
Other non-instructional services	1,800	-	235,750	283,101
Extracurricular activities	-	-	-	964,778
Facilities acquisition and construction	-	-	-	141
Total expenditures	10,172	2,160,320	239,284	6,684,922
Excess (deficiency) of revenues over (under) expenditures	-	133,403	(1,534)	(24,757)
Other financing sources:				
Transfers in	-	-	-	119,000
Total other financing sources	-	-	-	119,000
Net change in fund balances	-	133,403	(1,534)	94,243
Fund balances (deficits)				
at beginning of year	-	2,067,065	13,520	2,677,984
Fund balances (deficits) at end of year	\$ -	\$ 2,200,468	\$ 11,986	\$ 2,772,227

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Other Grants</u>			
Total Revenues and Other Financing Sources	\$ 63,185	\$ 74,993	\$ 11,808
Total Expenditures and Other Financing Uses	<u>241,615</u>	<u>132,378</u>	<u>(109,237)</u>
Net Change in Fund Balance	(178,430)	(57,385)	121,045
Fund Balance, July 1	141,320	141,320	-
Prior Year Encumbrances Appropriated	<u>37,110</u>	<u>37,110</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 121,045</u>	<u>\$ 121,045</u>
<u>Student Activities</u>			
Total Revenues and Other Financing Sources	\$ 77,949	\$ 79,085	\$ 1,136
Total Expenditures and Other Financing Uses	<u>123,450</u>	<u>73,160</u>	<u>(50,290)</u>
Net Change in Fund Balance	(45,501)	5,925	51,426
Fund Balance, July 1	<u>60,050</u>	<u>60,050</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 14,549</u>	<u>\$ 65,975</u>	<u>\$ 51,426</u>
<u>Athletics and Music</u>			
Total Revenues and Other Financing Sources	\$ 800,000	\$ 942,048	\$ 142,048
Total Expenditures and Other Financing Uses	<u>1,094,907</u>	<u>928,564</u>	<u>(166,343)</u>
Net Change in Fund Balance	(294,907)	13,484	308,391
Fund Balance, July 1	327,044	327,044	-
Prior Year Encumbrances Appropriated	<u>32,907</u>	<u>32,907</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 65,044</u>	<u>\$ 373,435</u>	<u>\$ 308,391</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Auxiliary Services</u>			
Total Revenues and Other Financing Sources	\$ 1,296,797	\$ 1,296,797	\$ -
Total Expenditures and Other Financing Uses	<u>1,485,627</u>	<u>1,485,627</u>	<u>-</u>
Net Change in Fund Balance	(188,830)	(188,830)	-
Fund Balance, July 1	181,110	181,110	-
Prior Year Encumbrances Appropriated	<u>7,720</u>	<u>7,720</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Data Communications</u>			
Total Revenues and Other Financing Sources	\$ 9,956	\$ 9,956	\$ -
Total Expenditures and Other Financing Uses	<u>9,956</u>	<u>9,956</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Other State Grants</u>			
Total Revenues and Other Financing Sources	\$ 20,005	\$ 20,005	\$ -
Total Expenditures and Other Financing Uses	<u>20,005</u>	<u>-</u>	<u>(20,005)</u>
Net Change in Fund Balance	-	20,005	20,005
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ 20,005</u></u>	<u><u>\$ 20,005</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Elementary & Secondary School Emergency Relief</u>			
Total Revenues and Other Financing Sources	\$ 214,448	\$ 214,448	\$ -
Total Expenditures and Other Financing Uses	<u>214,448</u>	<u>214,448</u>	<u>-</u>
Net Change in Fund Balance	- -	- -	- -
Fund Balance (Deficit), July 1	(40,000)	(40,000)	- -
Prior Year Encumbrances Appropriated	<u>40,000</u>	<u>40,000</u>	<u>- -</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>IDEA Part B</u>			
Total Revenues and Other Financing Sources	\$ 1,543,863	\$ 1,412,340	\$ (131,523)
Total Expenditures and Other Financing Uses	<u>1,543,863</u>	<u>1,543,863</u>	<u>- -</u>
Net Change in Fund Balance	- (131,523)	(131,523)	(131,523)
Fund Balance, July 1	<u>- -</u>	<u>- -</u>	<u>- -</u>
Fund Balance (Deficit), June 30	<u><u>\$ -</u></u>	<u><u>\$ (131,523)</u></u>	<u><u>\$ (131,523)</u></u>
<u>Title III</u>			
Total Revenues and Other Financing Sources	\$ 13,549	\$ 12,924	\$ (625)
Total Expenditures and Other Financing Uses	<u>13,549</u>	<u>13,549</u>	<u>- -</u>
Net Change in Fund Balance	- (625)	(625)	(625)
Fund Balance, July 1	<u>- -</u>	<u>- -</u>	<u>- -</u>
Fund Balance (Deficit), June 30	<u><u>\$ -</u></u>	<u><u>\$ (625)</u></u>	<u><u>\$ (625)</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Title I</u>			
Total Revenues and Other Financing Sources	\$ 112,005	\$ 112,005	\$ -
Total Expenditures and Other Financing Uses	<u>112,005</u>	<u>112,005</u>	<u>-</u>
Net Change in Fund Balance	- -	- -	- -
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EHA Preschool Grant</u>			
Total Revenues and Other Financing Sources	\$ 23,359	\$ 23,359	\$ -
Total Expenditures and Other Financing Uses	<u>21,483</u>	<u>21,483</u>	<u>-</u>
Net Change in Fund Balance	1,876	1,876	- -
Fund Balance (Deficit), July 1	<u>(1,876)</u>	<u>(1,876)</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Supporting Effective Instruction</u>			
Total Revenues and Other Financing Sources	\$ 37,532	\$ 34,045	\$ (3,487)
Total Expenditures and Other Financing Uses	<u>37,532</u>	<u>37,532</u>	<u>-</u>
Net Change in Fund Balance	- -	(3,487)	(3,487)
Fund Balance (Deficit), July 1	<u>(3,202)</u>	<u>(3,202)</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>3,202</u>	<u>3,202</u>	<u>-</u>
Fund Balance (Deficit), June 30	<u>\$ -</u>	<u>\$ (3,487)</u>	<u>\$ (3,487)</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Student Support and Academic Enrichment</u>			
Total Revenues and Other Financing Sources	\$ -	\$ 10,172	\$ 10,172
Total Expenditures and Other Financing Uses	<u>-</u>	<u>18,463</u>	<u>18,463</u>
Net Change in Fund Balance	- -	(8,291)	(8,291)
Fund Balance (Deficit), July 1	(4,507)	(4,507)	-
Prior Year Encumbrances Appropriated	<u>4,507</u>	<u>4,507</u>	<u>-</u>
Fund Balance (Deficit), June 30	<u>\$ -</u>	<u>\$ (8,291)</u>	<u>\$ (8,291)</u>
<u>Food Service</u>			
Total Revenues and Other Financing Sources	\$ 2,150,000	\$ 2,171,650	\$ 21,650
Total Expenditures and Other Financing Uses	<u>2,800,000</u>	<u>2,041,733</u>	<u>(758,267)</u>
Net Change in Fund Balance	(650,000)	129,917	779,917
Fund Balance, July 1	2,184,530	2,184,530	-
Prior Year Encumbrances Appropriated	<u>26,949</u>	<u>26,949</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,561,479</u>	<u>\$ 2,341,396</u>	<u>\$ 779,917</u>
<u>Other Special Revenue</u>			
Total Revenues and Other Financing Sources	\$ 237,750	\$ 237,750	\$ -
Total Expenditures and Other Financing Uses	<u>251,267</u>	<u>239,281</u>	<u>(11,986)</u>
Net Change in Fund Balance	(13,517)	(1,531)	11,986
Fund Balance, July 1	12,517	12,517	-
Prior Year Encumbrances Appropriated	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 11,986</u>	<u>\$ 11,986</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Debt Service</u>			
Total Revenues and Other Financing Sources	\$ 6,577,062	\$ 6,625,683	\$ 48,621
Total Expenditures and Other Financing Uses	<u>7,000,000</u>	<u>6,524,211</u>	<u>(475,789)</u>
Net Change in Fund Balance	(422,938)	101,472	524,410
Fund Balance, July 1	<u>4,611,055</u>	<u>4,611,055</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 4,188,117</u></u>	<u><u>\$ 4,712,527</u></u>	<u><u>\$ 524,410</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025

	<u>Building</u>	<u>Permanent Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:			
Equity in pooled cash and investments	\$ 1,903,066	\$ 1,908,349	\$ 3,811,415
Receivables:			
Property taxes	- -	1,458,701	1,458,701
Intergovernmental	<u>652</u>	<u>-</u>	<u>652</u>
Total assets	<u><u>\$ 1,903,718</u></u>	<u><u>\$ 3,367,050</u></u>	<u><u>\$ 5,270,768</u></u>
Liabilities:			
Accounts payable	\$ -	\$ 58,809	\$ 58,809
Contracts payable	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total liabilities	<u>25,000</u>	<u>58,809</u>	<u>83,809</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	- -	1,346,832	1,346,832
Delinquent property tax revenue not available	<u>-</u>	<u>28,394</u>	<u>28,394</u>
Total deferred inflows of resources	<u>-</u>	<u>1,375,226</u>	<u>1,375,226</u>
Fund balances:			
Restricted:			
Capital improvements	<u>1,878,718</u>	<u>1,933,015</u>	<u>3,811,733</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,903,718</u></u>	<u><u>\$ 3,367,050</u></u>	<u><u>\$ 5,270,768</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Building</u>	<u>Permanent Improvement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Property taxes	\$ -	\$ 1,447,968	\$ 1,447,968
Intergovernmental	2,232,478	162,325	2,394,803
Contributions and donations	-	92,500	92,500
Miscellaneous	- <hr/>	28,569 <hr/>	28,569 <hr/>
Total revenues	<hr/> 2,232,478	<hr/> 1,731,362	<hr/> 3,963,840
Expenditures:			
Current:			
Instruction:			
Regular	- <hr/>	502,589 <hr/>	502,589 <hr/>
Support services:			
Fiscal	- <hr/>	22,092 <hr/>	22,092 <hr/>
Operations and maint	- <hr/>	2,541 <hr/>	2,541 <hr/>
Pupil transportation	- <hr/>	71,114 <hr/>	71,114 <hr/>
Facilities acquisition and construction	<hr/> (10,085) <hr/>	<hr/> 1,338,965 <hr/>	<hr/> 1,328,880 <hr/>
Total expenditures	<hr/> (10,085) <hr/>	<hr/> 1,937,301 <hr/>	<hr/> 1,927,216 <hr/>
Excess (deficiency) of revenues over (under) expenditures	<hr/> 2,242,563 <hr/>	<hr/> (205,939) <hr/>	<hr/> 2,036,624 <hr/>
Other financing (uses):			
Proceeds from sale of assets	- <hr/>	1,543 <hr/>	1,543 <hr/>
Transfers in	- <hr/>	100,000 <hr/>	100,000 <hr/>
Transfers (out)	<hr/> (2,019,024) <hr/>	<hr/> - <hr/>	<hr/> (2,019,024) <hr/>
Total other financing (uses)	<hr/> (2,019,024) <hr/>	<hr/> 101,543 <hr/>	<hr/> (1,917,481) <hr/>
Net change in fund balances	223,539 <hr/>	(104,396) <hr/>	119,143 <hr/>
Fund balances at beginning of year	<hr/> 1,655,179 <hr/>	<hr/> 2,037,411 <hr/>	<hr/> 3,692,590 <hr/>
Fund balances at end of year	<hr/> \$ 1,878,718 <hr/>	<hr/> \$ 1,933,015 <hr/>	<hr/> \$ 3,811,733 <hr/>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Building</u>			
Total Revenues and Other Financing Sources	\$ 2,200,000	\$ 2,285,267	\$ 85,267
Total Expenditures and Other Financing Uses	<u>3,033,074</u>	<u>2,320,455</u>	<u>(712,619)</u>
Net Change in Fund Balance	(833,074)	(35,188)	797,886
Fund Balance, July 1	1,655,180	1,655,180	-
Prior Year Encumbrances Appropriated	<u>283,074</u>	<u>283,074</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 1,105,180</u></u>	<u><u>\$ 1,903,066</u></u>	<u><u>\$ 797,886</u></u>
<u>Permanent Improvement</u>			
Total Revenues and Other Financing Sources	\$ 1,617,069	\$ 1,811,983	\$ 194,914
Total Expenditures and Other Financing Uses	<u>3,601,085</u>	<u>2,048,973</u>	<u>(1,552,112)</u>
Net Change in Fund Balance	(1,984,016)	(236,990)	1,747,026
Fund Balance, July 1	1,990,754	1,990,754	-
Prior Year Encumbrances Appropriated	<u>91,085</u>	<u>91,085</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 97,823</u></u>	<u><u>\$ 1,844,849</u></u>	<u><u>\$ 1,747,026</u></u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

FUND DESCRIPTIONS

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

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

INTERNAL SERVICE FUND

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Final Budget	Actual	Variance with Final Budget- Over (Under)
<u>Community Education</u>			
Total Revenues	\$ 1,840,667	\$ 1,874,361	\$ 33,694
Total Expenses	<u>3,148,006</u>	<u>2,005,775</u>	<u>(1,142,231)</u>
Net Change in Fund Balance	(1,307,339)	(131,414)	1,175,925
Fund Balance, July 1	918,332	918,332	-
Prior Year Encumbrances Appropriated	<u>389,007</u>	<u>389,007</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 1,175,925</u>	<u>\$ 1,175,925</u>
<u>Self-Insurance</u>			
Total Revenues	\$ 15,200,000	\$ 17,685,988	\$ 2,485,988
Total Expenses	<u>17,010,146</u>	<u>15,596,542</u>	<u>(1,413,604)</u>
Net Change in Fund Balance	(1,810,146)	2,089,446	3,899,592
Fund Balance, July 1	3,764,375	3,764,375	-
Prior Year Encumbrances Appropriated	<u>10,146</u>	<u>10,146</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,964,375</u>	<u>\$ 5,863,967</u>	<u>\$ 3,899,592</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**FUND DESCRIPTIONS
FIDUCIARY FUNDS**

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

CUSTODIAL FUND

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

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S2 - S13
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S14 - S19
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S20 - S23
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S24 - S25
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S26 - S33

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	2025 (a)	2024	2023	2022	2021
Governmental activities					
Net investment in capital assets	\$ 38,675,595	\$ 39,304,715	\$ 40,595,746	\$ 40,514,922	\$ 43,823,286
Restricted	16,222,604	16,394,630	15,033,923	11,788,564	11,393,039
Unrestricted (deficit)	(57,032,391)	(50,348,240)	(42,853,059)	(47,491,176)	(50,224,607)
Total governmental activities net position	<u><u>\$ (2,134,192)</u></u>	<u><u>\$ 5,351,105</u></u>	<u><u>\$ 12,776,610</u></u>	<u><u>\$ 4,812,310</u></u>	<u><u>\$ 4,991,718</u></u>
Business-type activities					
Restricted	\$ 5,184	\$ 7,465	\$ -	\$ -	\$ -
Unrestricted (deficit)	59,407	262,771	119,670	162,498	(214,172)
Total business-type activities net position	<u><u>\$ 64,591</u></u>	<u><u>\$ 270,236</u></u>	<u><u>\$ 119,670</u></u>	<u><u>\$ 162,498</u></u>	<u><u>\$ (214,172)</u></u>
Primary government					
Net investment in capital assets	\$ 38,675,595	\$ 39,304,715	\$ 40,595,746	\$ 40,514,922	\$ 43,823,286
Restricted	16,227,788	16,402,095	15,033,923	11,788,564	11,393,039
Unrestricted (deficit)	(56,972,984)	(50,085,469)	(42,733,389)	(47,328,678)	(50,438,779)
Total primary government net position	<u><u>\$ (2,069,601)</u></u>	<u><u>\$ 5,621,341</u></u>	<u><u>\$ 12,896,280</u></u>	<u><u>\$ 4,974,808</u></u>	<u><u>\$ 4,777,546</u></u>

Source: School District financial records.

(a) The District has reported the impact of GASB Statement No. 75 beginning in fiscal year 2017, GASB Statement No. 84 beginning in fiscal year 2019, and GASB Statement No. 101 beginning in fiscal year 2025. The amounts for prior years are presented in accordance with previous guidance prior to the implementation of those respective statements.

2020	2019 (a)	2018	2017 (a)	2016
\$ 43,815,206	\$ 41,081,236	\$ 39,999,721	\$ 40,576,526	\$ 39,524,689
12,357,052	11,518,481	7,341,961	1,694,486	2,167,394
(49,063,660)	(44,590,023)	(51,832,286)	(83,956,110)	(57,583,840)
<u>\$ 7,108,598</u>	<u>\$ 8,009,694</u>	<u>\$ (4,490,604)</u>	<u>\$ (41,685,098)</u>	<u>\$ (15,891,757)</u>
\$ -	\$ -	\$ -	\$ -	\$ -
(473,816)	(45,027)	(8,623)	(270,350)	114,896
<u>\$ (473,816)</u>	<u>\$ (45,027)</u>	<u>\$ (8,623)</u>	<u>\$ (270,350)</u>	<u>\$ 114,896</u>
\$ 43,815,206	\$ 41,081,236	\$ 39,999,721	\$ 40,576,526	\$ 39,524,689
12,357,052	11,518,481	7,341,961	1,694,486	2,167,394
(49,537,476)	(44,635,050)	(51,840,909)	(84,226,460)	(57,468,944)
<u>\$ 6,634,782</u>	<u>\$ 7,964,667</u>	<u>\$ (4,499,227)</u>	<u>\$ (41,955,448)</u>	<u>\$ (15,776,861)</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 37,312,335	\$ 38,769,710	\$ 38,010,121	\$ 35,816,224	\$ 34,220,892
Special	13,125,074	12,893,771	12,264,486	10,372,613	10,973,538
Vocational	320,609	334,818	396,159	372,102	282,715
Other	1,603,022	1,772,530	1,384,430	1,079,359	1,343,642
Support services:					
Pupil	6,901,520	6,699,676	6,204,852	5,407,605	6,109,168
Instructional staff	3,104,281	2,771,245	2,718,103	2,321,176	2,755,044
Board of education	72,349	105,292	57,161	56,074	49,334
Administration	5,345,345	5,254,458	5,151,778	4,498,841	4,846,185
Fiscal	1,939,868	1,966,671	2,109,988	1,825,526	2,131,737
Business	607,125	587,033	556,594	539,384	735,981
Operations and maintenance	6,684,025	6,154,967	6,074,073	5,886,401	9,576,045
Pupil transportation	4,998,549	4,779,744	5,329,823	5,125,606	4,701,749
Central	875,481	854,006	1,671,913	797,782	727,955
Operation of non-instructional services:					
Food service operations	2,062,127	2,167,745	2,117,611	1,889,701	1,463,726
Other non-instructional services	286,176	280,598	289,576	283,326	243,911
Extracurricular activities	3,568,324	3,738,264	3,600,592	4,595,518	2,329,250
Interest on long-term debt	3,239,429	3,334,822	3,352,754	3,423,921	3,464,820
Total governmental activities expenses	<u>92,045,639</u>	<u>92,465,350</u>	<u>91,290,014</u>	<u>84,291,159</u>	<u>85,955,692</u>
Business-type activities:					
Community education	1,773,235	1,537,618	1,425,389	1,307,380	1,040,369
Total business-type activities expenses	<u>1,773,235</u>	<u>1,537,618</u>	<u>1,425,389</u>	<u>1,307,380</u>	<u>1,040,369</u>
Total primary government expenses	<u><u>\$ 93,818,874</u></u>	<u><u>\$ 94,002,968</u></u>	<u><u>\$ 92,715,403</u></u>	<u><u>\$ 85,598,539</u></u>	<u><u>\$ 86,996,061</u></u>

	2020		2019		2018		2017		2016
\$	34,009,196	\$	27,725,631	\$	14,523,016	\$	30,223,535	\$	28,113,267
11,860,105		8,549,067		4,090,861		10,092,995		8,951,438	
356,923		329,507		181,299		369,409		283,061	
1,427,557		1,605,879		1,578,566		1,261,399		1,285,813	
5,338,291		4,643,823		2,678,981		4,996,693		4,853,110	
2,514,585		2,145,863		1,086,954		2,293,445		2,224,870	
83,586		56,997		145,139		78,835		38,520	
4,734,030		3,530,486		1,111,112		4,414,001		3,927,626	
1,616,905		1,977,521		931,623		1,411,686		1,410,351	
710,630		525,670		219,975		663,107		622,463	
5,783,679		5,340,037		3,861,761		5,786,325		5,382,831	
4,140,849		4,409,145		4,200,710		3,890,981		3,786,842	
562,919		517,371		313,408		568,679		560,192	
1,505,827		1,464,407		1,008,011		1,615,311		1,417,360	
274,182		62,834		39,015		50,180		29,891	
2,180,885		2,024,703		1,250,184		1,978,779		1,839,597	
3,558,414		3,700,893		2,257,648		766,121		797,635	
80,658,563		68,609,834		39,478,263		70,461,481		65,524,867	
1,242,780		1,522,741		1,318,933		1,467,886		1,366,536	
1,242,780		1,522,741		1,318,933		1,467,886		1,366,536	
\$ 81,901,343		\$ 70,132,575		\$ 40,797,196		\$ 71,929,367		\$ 66,891,403	

-- Continued

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

Program Revenues	2025	2024	2023	2022	2021
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 1,243,985	\$ 1,462,705	\$ 1,339,723	\$ 1,450,731	\$ 1,279,624
Special	287,724	138,810	217,989	177,682	79,254
Vocational	324	4	1,294	-	7,848
Other	12,658	9,194	7,411	5,988	8,688
Support services:					
Pupil	214,764	174,775	146,199	166,666	128,117
Instructional staff	4,593	2,935	3,926	176	3,315
Administration	34,502	31,272	16,521	1,902	1,241
Operations and maintenance	71,928	51,621	37,347	8,927	14,753
Operation of non-instructional services:					
Food service operations	1,743,403	1,792,111	1,779,005	674,680	409,292
Other non-instructional services	1,904	1,275	1,455	121	1,287
Extracurricular activities	1,056,270	926,100	1,029,469	989,580	579,640
Operating grants and contributions:					
Instruction:					
Regular	1,408,867	2,059,517	2,237,448	2,607,696	2,290,782
Special	2,322,103	2,264,076	2,404,827	2,495,303	2,712,533
Vocational	24,071	24,784	21,227	19,127	30,435
Other	35,986	242,900	9,000	9,000	9,000
Support services:					
Pupil	279,284	558,553	495,302	557,545	509,215
Instructional staff	70,356	109,106	139,897	85,910	108,769
Board of education	24,874	-	-	-	-
Administration	10,186	116,587	75,369	52,490	58,543
Operations and maintenance	20,005	40,373	544,825	153,067	375,266
Pupil transportation	329,843	300,143	302,925	159,020	60,966
Central	-	-	871,999	-	-
Operation of non-instructional services:					
Food service operations	550,320	647,618	723,612	2,385,998	969,135
Other non-instructional services	281,936	295,196	286,974	279,230	255,495
Extracurricular activities	147,904	104,744	104,743	72,682	166,797
Capital grants and contributions:					
Instruction:					
Regular	-	-	6,933	5,514	4,317
Support services:					
Operations and maintenance	92,500	-	-	-	-
Pupil transportation	-	-	-	-	20,599
Extracurricular activities	28,569	43,790	775,523	19,343	24,200
Total governmental program revenues	<u><u>10,298,859</u></u>	<u><u>11,398,189</u></u>	<u><u>13,580,943</u></u>	<u><u>12,378,378</u></u>	<u><u>10,109,111</u></u>
Business-type activities:					
Charges for services	1,674,361	1,748,134	1,599,379	1,547,845	985,309
Total business-type activities program revenues	<u><u>1,674,361</u></u>	<u><u>1,748,134</u></u>	<u><u>1,599,379</u></u>	<u><u>1,547,845</u></u>	<u><u>985,309</u></u>
Total primary government program revenue	<u><u>\$ 11,973,220</u></u>	<u><u>\$ 13,146,323</u></u>	<u><u>\$ 15,180,322</u></u>	<u><u>\$ 13,926,223</u></u>	<u><u>\$ 11,094,420</u></u>
Net (Expense)/Revenue					
Governmental activities	\$ (81,746,780)	\$ (81,067,161)	\$ (77,709,071)	\$ (71,912,781)	\$ (75,846,581)
Business-type activities	(98,874)	210,516	173,990	240,465	(55,060)
Total primary government net expense	<u><u>\$ (81,845,654)</u></u>	<u><u>\$ (80,856,645)</u></u>	<u><u>\$ (77,535,081)</u></u>	<u><u>\$ (71,672,316)</u></u>	<u><u>\$ (75,901,641)</u></u>

	2020	2019	2018	2017	2016
\$	1,178,066	\$ 1,270,368	\$ 1,177,962	\$ 998,820	\$ 1,026,119
135,903		72,133	50,544	33,694	68,808
5,268		-	-	6,095	10,466
8,077		8,606	12,258	8,207	13,509
133,129		134,784	207,697	248,149	188,906
8,034		7,643	13,244	11,872	31,707
1,837		-	-	-	-
18,951		14,710	17,703	22,785	9,640
1,116,264		1,362,879	1,295,372	1,262,575	1,206,111
4,109		15,149	3,650	3,258	4,939
533,386		720,255	797,509	698,237	688,980
1,843,130		1,750,299	1,736,959	2,048,298	1,972,255
2,150,005		2,081,087	2,133,439	1,896,391	2,010,468
30,435		30,590	29,481	29,713	31,033
10,800		10,800	10,800	10,800	10,800
919,916		939,506	786,571	920,434	815,137
103,164		154,185	64,770	51,206	98,975
-		-	-	-	-
135,828		178,841	187,698	181,419	181,611
45,041		-	2,961	-	-
15,350		-	-	-	-
-		-	-	610	-
250,449		270,780	249,998	247,247	226,392
259,427		48,941	29,045	23,154	12,534
79,986		154,007	72,836	31,911	33,169
4,130		7,488	6,867	7,884	8,445
-		-	-	-	-
-		-	-	-	-
<u>25,800</u>	<u>26,700</u>	<u>67,078</u>	<u>62,721</u>	<u>28,250</u>	
<u>9,016,485</u>	<u>9,259,751</u>	<u>8,954,442</u>	<u>8,805,480</u>	<u>8,678,254</u>	
<u>1,593,018</u>	<u>1,492,116</u>	<u>1,443,154</u>	<u>1,415,488</u>	<u>1,369,879</u>	
<u>1,593,018</u>	<u>1,492,116</u>	<u>1,443,154</u>	<u>1,415,488</u>	<u>1,369,879</u>	
<u>\$ 10,609,503</u>	<u>\$ 10,751,867</u>	<u>\$ 10,397,596</u>	<u>\$ 10,220,968</u>	<u>\$ 10,048,133</u>	
<u>\$ (71,642,078)</u>	<u>\$ (59,350,083)</u>	<u>\$ (30,523,821)</u>	<u>\$ (61,656,001)</u>	<u>\$ (56,846,613)</u>	
<u>350,238</u>	<u>(30,625)</u>	<u>124,221</u>	<u>(52,398)</u>	<u>3,343</u>	
<u>\$ (71,291,840)</u>	<u>\$ (59,380,708)</u>	<u>\$ (30,399,600)</u>	<u>\$ (61,708,399)</u>	<u>\$ (56,843,270)</u>	

-- Continued

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

**General Revenues and Other Changes in
Net Position**

	2025	2024	2023	2022	2021
Governmental activities:					
Property taxes levied for:					
General purposes	\$ 60,934,887	\$ 46,413,995	\$ 58,083,754	\$ 47,389,302	\$ 49,255,865
Debt service	4,749,326	4,014,644	5,858,655	4,918,450	5,014,954
Capital outlay	1,455,799	1,141,943	1,618,261	1,329,479	1,390,404
Payments in lieu of taxes	561,142	682,733	508,343	401,895	423,363
Grants and entitlements not restricted					
to specific programs	19,248,943	18,735,252	18,004,382	17,681,115	17,174,728
Investment earnings	2,393,263	2,317,144	1,076,656	(465,074)	152,157
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	391,048	275,995	306,502	478,206	318,230
Transfers	-	59,950	216,818	-	-
Total governmental activities	<u>89,734,408</u>	<u>73,641,656</u>	<u>85,673,371</u>	<u>71,733,373</u>	<u>73,729,701</u>
Business-type activities:					
Grants not restricted to specific programs	-	-	-	136,205	126,737
Transfers	-	(59,950)	(216,818)	-	-
Total business-type activities	<u>-</u>	<u>(59,950)</u>	<u>(216,818)</u>	<u>136,205</u>	<u>126,737</u>
Total primary government	<u><u>\$ 89,734,408</u></u>	<u><u>\$ 73,581,706</u></u>	<u><u>\$ 85,456,553</u></u>	<u><u>\$ 71,869,578</u></u>	<u><u>\$ 73,856,438</u></u>
Change in Net Position					
Governmental activities	\$ 7,987,628	\$ (7,425,505)	\$ 7,964,300	\$ (179,408)	\$ (2,116,880)
Business-type activities	(98,874)	150,566	(42,828)	376,670	71,677
Total primary government	<u><u>\$ 7,888,754</u></u>	<u><u>\$ (7,274,939)</u></u>	<u><u>\$ 7,921,472</u></u>	<u><u>\$ 197,262</u></u>	<u><u>\$ (2,045,203)</u></u>

Source: School District financial records.

2020	2019	2018	2017	2016
\$ 44,805,866	\$ 43,943,803	\$ 44,520,840	\$ 37,455,272	\$ 41,995,699
4,400,343	4,722,713	3,456,419	-	-
1,272,326	1,260,795	1,288,278	1,096,477	1,225,365
477,283	379,593	658,751	566,274	472,588
16,577,309	16,757,875	16,768,399	17,952,080	18,019,970
2,460,174	3,404,435	634,979	332,259	30,630
-	489,929	-	-	-
455,810	569,166	390,649	421,053	324,742
291,871	208,129	-	-	-
<u>70,740,982</u>	<u>71,736,438</u>	<u>67,718,315</u>	<u>57,823,415</u>	<u>62,068,994</u>
120,553	101,448	88,544	56,635	48,212
(291,871)	(208,129)	-	-	-
(171,318)	(106,681)	88,544	56,635	48,212
<u>\$ 70,569,664</u>	<u>\$ 71,629,757</u>	<u>\$ 67,806,859</u>	<u>\$ 57,880,050</u>	<u>\$ 62,117,206</u>
\$ (901,096)	\$ 12,386,355	\$ 37,194,494	\$ (3,832,586)	\$ 5,222,381
178,920	(137,306)	212,765	4,237	51,555
<u>\$ (722,176)</u>	<u>\$ 12,249,049</u>	<u>\$ 37,407,259</u>	<u>\$ (3,828,349)</u>	<u>\$ 5,273,936</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	2025	2024	2023	2022	2021
General Fund:					
Nonspendable	\$ 80,675	\$ 75,608	\$ 71,483	\$ 131,509	\$ 124,055
Assigned	858,217	1,455,811	1,421,023	1,855,020	2,112,847
Unassigned	<u>25,153,268</u>	<u>22,473,476</u>	<u>31,210,163</u>	<u>25,490,602</u>	<u>29,092,684</u>
Total general fund	<u><u>\$ 26,092,160</u></u>	<u><u>\$ 24,004,895</u></u>	<u><u>\$ 32,702,669</u></u>	<u><u>\$ 27,477,131</u></u>	<u><u>\$ 31,329,586</u></u>
All Other Governmental Funds:					
Nonspendable	\$ 4,042	\$ 5,573	\$ 5,413	\$ 5,953	\$ 3,217
Restricted	11,604,446	11,318,292	17,609,108	10,420,367	17,390,047
Unassigned (deficit)	<u>(71,411)</u>	<u>(151,506)</u>	<u>(148,289)</u>	<u>(128,861)</u>	<u>(120,510)</u>
Total all other governmental funds	<u><u>\$ 11,537,077</u></u>	<u><u>\$ 11,172,359</u></u>	<u><u>\$ 17,466,232</u></u>	<u><u>\$ 10,297,459</u></u>	<u><u>\$ 17,272,754</u></u>

Source: School District financial records.

2020	2019	2018	2017	2016
\$ 335,620	\$ 111,419	\$ 134,433	\$ 135,143	\$ 41,658
1,550,195	1,421,923	1,304,837	1,058,137	949,697
<u>28,300,131</u>	<u>30,640,854</u>	<u>32,080,771</u>	<u>29,656,843</u>	<u>30,597,837</u>
<u>\$ 30,185,946</u>	<u>\$ 32,174,196</u>	<u>\$ 33,520,041</u>	<u>\$ 30,850,123</u>	<u>\$ 31,589,192</u>
\$ 3,288	\$ 3,055	\$ 3,245	\$ 5,285	\$ 2,076
46,280,944	79,972,447	89,175,131	1,603,298	2,052,730
<u>(50,301)</u>	<u>(92,368)</u>	<u>(99,631)</u>	<u>(92,868)</u>	<u>(112,889)</u>
<u>\$ 46,233,931</u>	<u>\$ 79,883,134</u>	<u>\$ 89,078,745</u>	<u>\$ 1,515,715</u>	<u>\$ 1,941,917</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

	2025	2024	2023	2022	2021
Revenues					
Property taxes	\$ 66,811,973	\$ 51,464,716	\$ 65,591,669	\$ 53,659,020	\$ 55,202,881
Intergovernmental	24,228,301	24,830,593	25,555,271	26,216,090	24,329,911
Investment earnings	2,420,562	2,389,269	1,068,757	(485,829)	291,407
Tuition and fees	1,659,071	1,680,823	1,596,574	1,705,435	1,466,238
Extracurricular	1,203,376	1,067,025	1,151,855	1,081,633	624,266
Charges for services	1,743,403	1,792,293	1,779,573	674,774	412,895
Payment in lieu of taxes	561,142	682,733	508,343	401,895	423,363
Other	1,085,316	957,896	1,726,035	872,694	750,253
Total revenues	<u>99,713,144</u>	<u>84,865,348</u>	<u>98,978,077</u>	<u>84,125,712</u>	<u>83,501,214</u>
Expenditures					
Current:					
Instruction:					
Regular	36,415,379	35,618,127	34,018,623	33,115,193	30,858,663
Special	14,204,963	13,478,351	12,277,525	11,113,813	10,379,324
Vocational	222,900	198,219	295,158	256,122	319,775
Other	1,603,022	1,775,322	1,384,430	1,079,359	1,343,642
Support services:					
Pupil	7,275,507	6,939,684	6,210,884	5,799,344	5,834,328
Instructional staff	3,119,322	2,649,168	2,523,201	2,345,318	2,521,066
Board of education	73,055	105,589	57,320	57,318	48,856
Administration	5,604,392	5,505,312	5,053,183	5,034,912	4,478,217
Fiscal	2,005,008	1,991,337	2,095,500	1,897,812	2,077,166
Business	677,301	621,105	562,596	618,588	679,000
Operations and maintenance	6,958,248	6,122,545	5,905,547	5,977,966	5,746,465
Pupil transportation	4,888,298	4,520,099	5,072,093	4,826,680	4,529,697
Central	925,791	906,003	1,686,447	857,333	694,334
Operation of non-instructional services:					
Food service operations	2,139,777	2,144,006	2,055,368	1,891,345	1,401,120
Other non-instructional services	286,176	299,626	289,576	283,326	243,911
Extracurricular activities	2,595,378	2,415,828	2,371,610	2,107,380	1,760,237
Facilities acquisition and construction	1,329,021	7,358,949	3,504,184	11,505,241	31,519,167
Capital outlay	-	177,648	-	1,655,850	-
Debt service:					
Principal retirement	3,590,829	3,730,116	3,023,355	2,766,377	3,372,569
Interest and fiscal charges	3,361,433	3,488,145	3,433,423	3,182,397	3,518,478
Debt issuance costs	-	-	76,500	234,865	-
Payment to refunded debt escrow agent	-	-	-	755,430	-
Total expenditures	<u>97,275,800</u>	<u>100,045,179</u>	<u>91,896,523</u>	<u>97,361,969</u>	<u>111,326,015</u>
Excess of revenues over (under) expenditures	2,437,344	(15,179,831)	7,081,554	(13,236,257)	(27,824,801)
Other Financing Sources (Uses)					
Transfers in	2,138,024	2,986,000	1,074,000	1,880,000	1,877,100
Transfers (out)	(2,138,024)	(2,986,000)	(1,074,000)	(1,880,000)	(1,877,100)
Proceeds from sale of assets	14,639	10,536	12,757	43,427	7,264
Inception of lease	-	-	-	1,655,850	-
Inception of SBITAs	-	177,648	-	-	-
Issuance of notes	-	-	5,300,000	474,365	-
Premium on debt issuance	-	-	-	1,128,299	-
Issuance of bonds	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	(12,953,434)	-
Issuance of certificates of participation	-	-	-	12,060,000	-
Total other financing sources (uses)	<u>14,639</u>	<u>188,184</u>	<u>5,312,757</u>	<u>2,408,507</u>	<u>7,264</u>
Net change in fund balances	<u>\$ 2,451,983</u>	<u>\$ (14,991,647)</u>	<u>\$ 12,394,311</u>	<u>\$ (10,827,750)</u>	<u>\$ (27,817,537)</u>
Debt service as a percentage of noncapital expenditures	7.28%	7.65%	7.21%	6.83%	8.30%

Source: School District financial records.

2020	2019	2018	2017	2016
\$ 50,284,775	\$ 50,275,952	\$ 49,466,124	\$ 38,638,804	\$ 43,368,939
22,034,637	22,101,305	21,898,608	23,286,716	23,228,844
2,989,533	3,150,382	284,914	309,301	141,723
1,460,461	1,310,773	1,335,055	1,153,015	1,156,500
543,167	912,605	929,092	857,199	846,655
1,116,601	1,363,824	1,296,826	1,264,343	1,208,133
477,283	379,593	658,751	566,274	472,588
873,800	861,830	648,354	628,552	480,490
<u>79,780,257</u>	<u>80,356,264</u>	<u>76,517,724</u>	<u>66,704,204</u>	<u>70,903,872</u>
31,473,741	30,549,019	29,518,260	27,041,736	26,634,674
11,430,822	9,997,656	9,733,614	9,320,195	8,766,022
325,272	313,426	296,134	311,872	290,227
1,427,557	1,605,879	1,578,566	1,261,399	1,285,813
5,125,258	5,216,987	5,059,803	4,933,413	4,826,657
2,360,094	2,379,582	2,212,400	2,100,786	2,171,807
83,115	58,316	150,458	78,386	38,630
4,464,732	4,356,204	4,340,166	4,028,833	3,867,128
1,592,366	2,105,964	1,460,354	1,361,659	1,410,151
655,233	624,717	653,470	613,035	623,359
5,103,003	5,175,003	5,206,194	5,095,194	4,971,577
3,959,511	4,374,324	4,195,685	4,027,925	3,708,416
544,296	583,691	596,109	531,625	459,386
1,501,995	1,566,123	1,475,061	1,537,420	1,397,609
274,182	62,834	39,015	37,412	18,080
1,788,809	1,894,574	1,902,859	1,652,700	1,567,433
37,265,483	11,438,285	1,780,665	2,095,139	2,025,949
3,340,786	5,152,733	1,187,129	1,154,911	1,179,033
3,611,598	4,498,063	681,304	693,924	725,382
-	-	543,833	-	-
<u>116,327,853</u>	<u>91,953,380</u>	<u>72,611,079</u>	<u>67,877,564</u>	<u>65,967,333</u>
(36,547,596)	(11,597,116)	3,906,645	(1,173,360)	4,936,539
1,603,800	1,820,000	1,784,000	1,796,000	1,781,000
(1,603,800)	(1,820,000)	(1,784,000)	(1,796,000)	(1,781,000)
4,033	506,709	25,019	8,089	17,121
792,167	548,951	1,190,970	-	-
-	-	-	-	-
-	-	3,560,314	-	-
-	-	81,550,000	-	-
-	-	-	-	-
-	-	-	-	-
<u>796,200</u>	<u>1,055,660</u>	<u>86,326,303</u>	<u>8,089</u>	<u>17,121</u>
<u>\$ (35,751,396)</u>	<u>\$ (10,541,456)</u>	<u>\$ 90,232,948</u>	<u>\$ (1,165,271)</u>	<u>\$ 4,953,660</u>

8.80%

11.99%

2.67%

2.80%

3.04%

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

Collection Year	Real Property (a)		Public Utility (b)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2025	\$ 1,599,453,980	\$ 4,569,868,514	\$ 34,201,230	\$ 97,717,800	\$ 1,633,655,210	\$ 4,667,586,314
2024	1,589,456,250	4,541,303,571	32,789,900	93,685,429	1,622,246,150	4,634,989,000
2023	1,286,430,230	3,675,514,943	32,237,760	92,107,886	1,318,667,990	3,767,622,829
2022	1,266,660,770	3,619,030,771	25,638,730	73,253,514	1,292,299,500	3,692,284,286
2021	1,257,545,040	3,592,985,829	25,271,550	72,204,429	1,282,816,590	3,665,190,257
2020	1,120,929,440	3,202,655,543	21,466,960	61,334,171	1,142,396,400	3,263,989,714
2019	1,089,291,000	3,112,260,000	20,598,140	58,851,829	1,109,889,140	3,171,111,829
2018	1,077,345,980	3,078,131,371	13,613,760	38,896,457	1,090,959,740	3,117,027,829
2017	948,759,150	2,710,740,429	8,461,030	24,174,371	957,220,180	2,734,914,800
2016	928,703,860	2,653,439,600	7,238,320	20,680,914	935,942,180	2,674,120,514

Source: Summit County Fiscal Officer

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

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

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

<u>Total Direct Tax Rate (c)</u>	<u>Assessed Value as a Percentage of Estimated Actual Value</u>
\$ 96.76	35.00%
96.88	35.00%
92.38	35.00%
92.38	35.00%
92.43	35.00%
92.48	35.00%
92.53	35.00%
93.40	35.00%
88.43	35.00%
88.43	35.00%

HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

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

Tax Year/ Collection Year	Government	Overlapping Rates				Direct Rates						
		School	County	City	Total	School Levy	County Levy	City/ Village Township	Valley Fire District	Union Cem. Assoc. of Boston Twp.	Total	
2024/2025	Boston Township	\$ 2.83	\$ 0.45	\$ -	\$ 3.28	\$ 96.76	\$ 15.19	\$ 7.98	\$ 8.80	\$ 1.00	\$ 129.73	
	Boston Heights Village	2.83	0.45	-	3.28	96.76	15.19	6.10	-	-	118.05	
	Hudson City	2.83	0.45	-	3.28	96.76	15.19	6.47	-	-	118.42	
	Cuyahoga Falls City	2.83	0.45	-	3.28	96.76	15.19	11.00	-	-	122.95	
2023/2024	Boston Township	2.95	0.57	-	3.52	96.88	16.10	7.98	8.80	1.00	130.76	
	Boston Heights Village	2.95	0.57	-	3.52	96.88	16.10	6.10	-	-	119.08	
	Hudson City	2.95	0.57	-	3.52	96.88	16.10	6.47	-	-	119.45	
	Cuyahoga Falls City	2.95	0.57	-	3.52	96.88	16.10	11.00	-	-	123.98	
2022/2023	Boston Township	3.95	0.63	-	4.58	92.38	16.10	7.98	8.80	1.00	126.26	
	Boston Heights Village	3.95	0.63	-	4.58	92.38	16.10	6.10	-	-	114.58	
	Hudson City	3.95	0.63	-	4.58	92.38	16.10	6.47	-	-	114.95	
	Cuyahoga Falls City	3.95	0.63	-	4.58	92.38	16.10	11.00	-	-	119.48	
2021/2022	Boston Township	3.95	0.57	-	4.52	92.38	16.10	7.98	8.80	1.00	126.26	
	Boston Heights Village	3.95	0.57	-	4.52	92.38	16.10	6.10	-	-	114.58	
	Hudson City	3.95	0.57	-	4.52	92.38	16.10	6.47	-	-	114.95	
	Cuyahoga Falls City	3.95	0.57	-	4.52	92.38	16.10	11.00	-	-	119.48	
2020/2021	Boston Township	4.23	0.66	-	4.89	92.43	15.16	7.98	8.80	1.00	125.37	
	Boston Heights Village	4.23	0.66	-	4.89	92.43	15.16	6.10	-	-	113.69	
	Hudson City	4.23	0.66	-	4.89	92.43	15.16	6.47	-	-	114.06	
	Cuyahoga Falls City	4.23	0.66	-	4.89	92.43	15.16	11.00	-	-	118.59	
2019/2020	Boston Township	4.05	0.66	-	4.71	92.48	15.16	7.98	8.80	1.00	125.42	
	Boston Heights Village	4.05	0.66	-	4.71	92.48	15.16	6.10	-	-	113.74	
	Hudson City	4.05	0.66	-	4.71	92.48	15.16	6.47	-	-	114.11	
	Cuyahoga Falls City	4.05	0.66	-	4.71	92.48	15.16	11.00	-	-	118.64	
2018/2019	Boston Township	4.97	0.74	-	5.71	92.53	14.16	7.98	8.80	1.00	124.47	
	Boston Heights Village	4.97	0.74	-	5.71	92.53	14.16	6.10	-	-	112.79	
	Hudson City	4.97	0.74	1.08	6.79	92.53	14.16	7.27	-	-	113.96	
	Cuyahoga Falls City	4.97	0.74	-	5.71	92.53	14.16	11.00	-	-	117.69	
2017/2018	Boston Township	4.97	0.74	-	5.71	93.40	14.16	7.98	8.80	1.00	125.34	
	Boston Heights Village	4.97	0.74	-	5.71	93.40	14.16	6.10	-	-	113.66	
	Hudson City	4.97	0.74	1.08	6.79	93.40	14.16	7.55	-	-	115.11	
	Cuyahoga Falls City	4.97	0.74	-	5.71	93.40	14.16	11.00	-	-	118.56	
2016/2017	Boston Township	-	0.68	-	0.68	88.43	14.16	7.98	8.80	1.00	120.37	
	Boston Heights Village	-	0.68	-	0.68	88.43	14.16	6.10	-	-	108.69	
	Hudson City	-	0.68	1.86	2.54	88.43	14.16	8.31	-	-	110.90	
	Cuyahoga Falls City	-	0.68	-	0.68	88.43	14.16	11.00	-	-	113.59	
2015/2016	Boston Township	-	0.68	-	0.68	88.43	14.16	7.98	8.80	1.00	120.37	
	Boston Heights Village	-	0.68	-	0.68	88.43	14.16	6.10	-	-	108.69	
	Hudson City	-	0.68	1.86	2.54	88.43	14.16	7.73	-	-	110.32	
	Cuyahoga Falls City	-	0.68	-	0.68	88.43	14.16	11.00	-	-	113.59	

Source: Summit County Fiscal Officer

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS
DECEMBER 31, 2024 AND DECEMBER 31, 2015

December 31, 2024

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
American Transmission Systems Inc	\$ 19,114,050	1	1.45%
Laurel Lake Retirement Community Inc.	14,381,230	2	1.09%
Aurora 51 Hines Hill LLC	13,833,990	3	1.05%
East Ohio Gas CO	9,771,370	4	0.74%
Hudson Meadows Retirement Community	7,877,320	5	0.60%
Little Tikes, Inc.	7,525,000	6	0.57%
East Ohio Gas Company	6,855,360	7	0.52%
1943 Holdings LLC	6,632,800	8	0.50%
Hudson Senior Living Inc.	6,405,000	9	0.49%
BRG 50 Executive LP	5,810,000	10	0.44%
Total	\$ 98,206,120		7.45%

December 31, 2015

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
Little Tikes, Inc.	\$ 9,832,830	1	1.06%
Gables of Hudson LLC	5,425,010	2	0.59%
Allstate Insurance Company	5,023,960	3	0.54%
JoAnn Stores Support Center, Inc.	4,943,770	4	0.53%
Hudson Village Finance Co. LLC	3,242,150	5	0.35%
Georgetown Development Co.	2,901,360	6	0.31%
Boston Mills Partners LLC	2,873,410	7	0.31%
Trails of Hudson One LLC	2,520,880	8	0.27%
Summit Akron City	2,520,000	9	0.27%
Albrecht, Inc.	2,189,710	10	0.24%
Total	\$ 41,473,080		4.47%

Source: Summit County Fiscal Officer

Note: Information is available on a calendar year basis only

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2024/2025	\$ 72,663,505	\$ 4,585,483	\$ 77,248,988	\$ 69,522,451	95.68%
2023/2024	71,224,875	4,305,300	75,530,175	70,132,397	98.47%
2022/2023	62,700,444	3,072,885	65,773,329	60,312,433	96.19%
2021/2022	61,363,225	3,349,750	64,712,975	59,620,018	97.16%
2020/2021	60,505,772	4,218,784	64,724,556	57,106,259	94.38%
2019/2020	58,425,042	2,543,336	60,968,378	56,418,187	96.57%
2018/2019	56,714,148	1,036,532	57,750,680	55,457,495	97.78%
2017/2018	56,397,008	1,643,165	58,040,173	55,373,692	98.19%
2016/2017	48,899,723	2,072,180	50,971,903	47,707,712	97.56%
2015/2016	47,883,426	1,910,315	49,793,741	47,189,956	98.55%

Source: Summit County Fiscal Officer

Note: The data in this table includes homestead and rollback exemptions for taxes assessed locally that are deducted from the billed taxes and reimbursed to the District by the State. These are reported as intergovernmental revenues in the financial statements.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 3,141,053	\$ 72,663,504	94.06%
2,634,571	72,766,968	96.34%
2,388,011	62,700,444	95.33%
1,743,207	61,363,225	94.82%
3,399,514	60,505,773	93.48%
2,006,855	58,425,042	95.83%
1,256,653	56,714,148	98.21%
1,023,316	56,397,008	97.17%
1,192,010	48,899,722	95.93%
693,469	47,883,425	96.16%

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities

Fiscal Year	(a) General Obligation Bonds	Lease Liability	Subscription Liability	Notes	(a) Total Primary Government	(b) Percentage of Personal Income	(b) Per Capita	(b) Per ADM
2025	\$ 81,159,609	\$ 344,349	\$ 108,257	\$ 4,330,000	\$ 85,942,215	4.95%	\$ 3,725	\$18,888
2024	84,132,020	681,684	141,751	4,790,000	89,745,455	5.46%	3,907	19,468
2023	87,019,431	1,012,146	20,371	5,458,386	93,510,334	6.08%	4,080	19,841
2022	89,756,842	1,335,877	38,202	315,179	91,446,100	6.54%	3,979	19,403
2021	92,276,367	323,700	-	227,218	92,827,285	6.30%	4,017	19,772
2020	95,107,699	1,218,487	-	-	96,326,186	7.08%	4,332	20,335
2019	97,834,031	1,167,106	-	-	99,001,137	7.74%	4,443	20,904
2018	102,705,364	1,025,888	-	-	103,731,252	8.46%	4,663	22,033
2017	18,631,599	355,113	-	-	18,986,712	1.55%	853	4,074
2016	19,608,257	540,024	-	-	20,148,281	1.71%	898	4,327

Sources:

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds (a)	Less Net Position Restricted for Debt Service	Net General Obligation Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2025	\$ 81,159,609	\$ (4,754,510)	\$ 76,405,099	1.65%	\$ 3,311
2024	84,132,020	(4,572,736)	79,559,284	2.11%	3,464
2023	87,019,431	(5,411,062)	81,608,369	2.21%	3,561
2022	89,756,842	(3,957,578)	85,799,264	2.34%	3,733
2021	92,276,367	(3,542,162)	88,734,205	2.72%	3,840
2020	95,107,699	(3,115,815)	91,991,884	2.90%	4,137
2019	97,834,031	(3,257,387)	94,576,644	3.03%	4,244
2018	102,705,364	(5,402,194)	97,303,170	3.56%	4,374
2017	18,631,599	-	18,631,599	0.70%	837
2016	19,608,257	-	19,608,257	0.78%	874

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Direct Debt and Estimated Share of Overlapping Debt
Direct debt:			
Hudson City School District	\$ 85,942,215 (b)	100.00%	\$ 85,942,215
Total direct debt	<u>85,942,215</u>		<u>85,942,215</u>
Overlapping debt:			
City of Hudson	36,265,000	99.74%	36,170,711
City of Cuyahoga Falls	6,702,472	4.31%	288,877
Summit County	65,905,000	8.83%	5,819,412
Boston Heights Village	2,920,000	62.60%	1,827,920
Total overlapping debt	<u>111,792,472</u>		<u>44,106,920</u>
Total direct and overlapping debt	<u><u>\$ 197,734,687</u></u>		<u><u>\$ 130,049,135</u></u>

Source: Ohio Municipal Advisory Council

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

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Fiscal Year	Unvoted Debt Limit	Voted Debt Limit	Total Debt Applicable to Limit	Less Debt Service Available Fund Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2025	\$1,633,655	\$147,028,969	\$ 67,850,000	\$ (4,953,117)	\$ 62,896,883	\$ 84,132,086	42.78%
2024	1,622,246	146,002,154	69,790,000	(4,801,785)	64,988,215	81,013,939	44.51%
2023	1,318,668	118,680,119	71,690,000	(5,340,639)	66,349,361	52,330,758	55.91%
2022	1,292,300	116,306,955	73,550,000	(4,314,169)	69,235,831	47,071,124	59.53%
2021	1,282,817	115,453,493	75,610,000	(3,542,162)	72,067,838	43,385,655	62.42%
2020	1,142,396	102,815,676	77,600,000	(3,367,082)	74,232,918	28,582,758	72.20%
2019	1,109,889	99,890,023	79,510,000	(3,526,747)	75,983,253	23,906,770	76.07%
2018	1,090,960	98,186,377	83,590,000	(6,394,498)	77,195,502	20,990,875	78.62%
2017	957,220	86,149,816	18,555,000	-	18,555,000	67,594,816	21.54%
2016	935,942	84,234,796	19,525,000	-	19,525,000	64,709,796	23.18%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value	\$ 1,633,655,210
Debt limit (9% of assessed value)	147,028,969
Add: debt service fund equity	4,953,117
Less: debt applicable to limit	<u>(67,850,000)</u>
Legal debt margin	<u><u>\$ 84,132,086</u></u>

Source: Summit County Fiscal Officer and District financial records

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (a)	Personal Income (a)	Per Capita Personal Income (a)	Median Age (b)	School Enrollment (c)	Unemployment Rates (d)		
						Summit County	Ohio (e)	United States (e)
2025	23,073	\$ 1,737,812,214	\$ 75,318	46.1	4,550	5.2%	4.9%	4.1%
2024	22,968	1,642,280,904	71,503	46.1	4,610	5.3%	4.4%	4.1%
2023	22,917	1,537,478,613	67,089	46.1	4,713	3.8%	3.4%	3.6%
2022	22,983	1,397,849,043	60,821	46.1	4,713	4.4%	3.9%	3.6%
2021	23,110	1,473,632,260	63,766	46.1	4,695	6.6%	5.2%	5.9%
2020	22,237	1,360,637,556	61,188	41.3	4,737	11.4%	11.0%	11.1%
2019	22,285	1,278,958,435	57,391	41.3	4,736	4.3%	4.0%	3.7%
2018	22,245	1,226,700,525	55,145	41.3	4,708	5.2%	4.5%	4.0%
2017	22,251	1,223,871,753	55,003	41.3	4,661	5.3%	5.0%	4.4%
2016	22,437	1,179,916,956	52,588	41.3	4,656	4.9%	5.0%	4.9%

Sources/Notes:

- (a) U.S. Census Bureau QuickFacts; City of Hudson estimates for the calendar year prior to the fiscal year listed (information is available on a calendar year basis only).
- (b) City of Hudson records for fiscal years 2021-2024 (2020 calendar year data). Figure for prior years is from the 2010 census.
- (c) District records
- (d) June Ohio Labor Market Information, Ohio Department of Job and Family Services
- (e) Seasonally adjusted

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

PRINCIPAL EMPLOYERS
DECEMBER 31, 2024 AND DECEMBER 31, 2015

Employer	December 31, 2024	
	Employees	Percentage of Total City Employment
Hudson City School District	938	5.17%
Jo-Ann Stores LLC	720	3.97%
Leaffilter North LLC	710	3.91%
Little Tikes Company	695	3.83%
Jo-Ann Stores Support Center	665	3.66%
Rental Concepts Inc DBA Fleet Response	346	1.91%
City of Hudson	334	1.84%
Universal Screen Arts Inc	323	1.78%
Laurel Lake Retirement Community	309	1.70%
Western Reserve Academy	262	1.44%
Total	5,302	29.21%
Total Employment within the City	18,145	
Employer	December 31, 2015	
	Employees	Percentage of Total City Employment
Jo-Ann Stores Supply Chain	1,516	12.22%
Allstate Insurance Company	1,370	11.04%
Hudson City School District	995	8.02%
Little Tikes Company	479	3.86%
City of Hudson	327	2.63%
Laurel Lake Retirement Community	295	2.38%
Western Reserve Academy	250	2.01%
WBC Group LLC	186	1.50%
Windstream Corporation	175	1.41%
Universal Screen Arts Inc.	151	1.22%
Total	5,744	46.29%
Total Employment within the City	12,410	

Source: City of Hudson records.

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

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

Type	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Professional Staff:										
Teaching Staff:										
Elementary	124	120	120	121	118	116	120	115	113	111
Middle	68	68	67	67	67	67	65	70	69	68
High	90	91	92	94	100	94	95	95	95	93
Tutors	24	29	30	32	23	25	19	23	21	28
Others	4	5	4	8	6	6	6	4	4	3
Administration:										
District	27	27	26	27	27	27	27	26	26	25
Auxiliary Positions:										
Counselors	15	15	14	13	13	13	13	13	13	13
Speech	10	9	8	8	8	8	8	8	9	9
Mental Health Specialists	5	5	5	6	6	6	6	5	7	7
Other	29	28	25	31	31	31	29	29	32	33
Support Staff:										
Secretarial	42	43	42	41	41	42	45	44	44	45
Aides	99	99	99	95	82	96	95	92	93	92
Hall monitor/Security	13	14	13	12	11	12	11	11	11	11
Food service	18	19	19	17	18	20	20	20	20	19
Custodial	33	34	31	32	31	31	31	29	30	31
Maintenance	9	9	10	10	10	10	9	10	8	10
Other	2	2	2	2	2	2	2	2	2	2
Total	<u>612</u>	<u>617</u>	<u>607</u>	<u>616</u>	<u>594</u>	<u>606</u>	<u>601</u>	<u>596</u>	<u>597</u>	<u>600</u>
Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	229	230	230	233	237	228	227	225	225	227
Special	76	77	78	83	72	75	73	77	72	72
Vocational	1	1	1	1	1	1	1	1	1	1
Other	4	5	4	4	4	4	4	4	4	3
Support Services:										
Pupil	50	49	44	48	49	50	48	47	48	47
Instructional staff	122	122	121	117	103	118	115	112	118	119
Administration	55	56	54	55	54	54	58	57	57	57
Fiscal	6	6	6	6	6	6	6	6	6	6
Business	6	6	6	6	6	6	6	5	5	4
Operations and maintenance	43	44	42	44	42	42	41	40	39	42
Central	2	2	2	2	2	2	2	2	2	2
Food service	<u>18</u>	<u>19</u>	<u>19</u>	<u>17</u>	<u>18</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Total Governmental Activities	<u>612</u>	<u>617</u>	<u>607</u>	<u>616</u>	<u>594</u>	<u>606</u>	<u>601</u>	<u>596</u>	<u>597</u>	<u>600</u>

Source: School District Records - EMIS Staff Employment Record

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular and Special										
Enrollment (students)	4,550	4,610	4,713	4,713	4,695	4,737	4,736	4,708	4,661	4,656
Graduates	339	352	388	370	414	373	374	389	391	401
Support services:										
Administration										
Student attendance rate	95.0%	95.2%	94.6%	95.1%	97.0%	96.8%	96.0%	95.9%	96.0%	95.8%
Food service operations:										
Number of students with										
free or reduced lunches	418	362	339	217	242	221	240	243	254	218

Source: School District Records - EMIS Headcount Statistics May 2025, EMIS Reports, ODE Report Card, and Nutrition Services Report

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022 (c)	2021 (b)
Land	\$ 1,022,386	\$ 1,022,386	\$ 1,022,386	\$ 1,022,386	\$ 1,022,386
Construction in progress	-	-	1,380,854	-	58,477,761
Land improvements	6,211,849	6,330,055	5,931,519	6,274,966	4,417,880
Buildings and improvements	111,091,029	114,382,184	112,692,912	116,779,564	57,822,559
Furniture, fixtures and equipment	1,842,112	2,422,394	2,977,501	2,981,881	3,029,854
Vehicles	468,845	576,613	786,835	775,005	1,101,064
Computer software	-	-	-	-	4,463
Lease assets - buildings	51,359	102,717	154,075	205,433	-
Lease assets - equipment	279,811	559,623	839,434	1,119,246	297,743
Subscription assets	109,550	152,683	22,903	38,202	-
 Total Governmental Activities					
Capital Assets, net (a)	<u>\$ 121,076,941</u>	<u>\$ 125,548,655</u>	<u>\$ 125,808,419</u>	<u>\$ 129,196,683</u>	<u>\$ 126,173,710</u>

Source: School District financial records.

(a) Amounts are presented net of accumulated depreciation/amortization.

(b) The District implemented GASB Statement No. 87 in 2022 which had the effect of restating 2021 capital assets.

(c) The District implemented GASB Statement No. 96 in 2023 which had the effect of restating 2022 capital assets.

2020	2019	2018	2017	2016
\$ 1,022,386	\$ 1,022,386	\$ 1,032,204	\$ 1,032,204	\$ 1,032,204
43,213,059	10,048,035	444,165	-	-
4,107,628	4,253,777	4,322,623	4,482,595	4,568,776
47,761,617	45,473,733	45,748,796	46,896,497	46,598,621
3,483,284	3,679,702	3,871,362	3,191,443	3,478,148
1,226,410	1,441,573	1,456,567	1,431,092	1,280,307
8,925	13,388	18,828	25,245	31,663
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 100,823,309</u>	<u>\$ 65,932,594</u>	<u>\$ 56,894,545</u>	<u>\$ 57,059,076</u>	<u>\$ 56,989,719</u>

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019
Evamere Elementary							
Square feet	36,657	36,657	36,657	59,847	59,847	59,847	59,847
Enrollment	-	-	-	-	403	629	622
McDowell Elementary							
Square feet	56,800	56,800	56,800	56,800	56,800	56,800	56,800
Enrollment	405	421	433	452	-	329	337
Ellsworth Hill Elementary							
Square feet	79,111	79,111	79,111	79,111	79,111	64,411	64,411
Enrollment	622	653	674	655	648	446	433
East Woods Intermediate							
Square feet	190,432	190,432	190,432	190,432	190,432	139,900	139,900
Enrollment	1,045	1,034	1,031	1,011	1,016	673	673
Hudson Middle School							
Square feet	178,490	178,490	178,490	178,490	178,490	190,432	190,432
Enrollment	1,043	1,049	1,041	1,072	1,066	1,076	1,107
Hudson High School							
Square feet	342,620	342,620	342,620	342,620	342,620	342,620	342,620
Enrollment	1,435	1,453	1,534	1,523	1,562	1,584	1,564

Source: School District Records - EMIS Headcount Statistics Report May 2025 and Facilities Records

Notes:

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

McDowell Elementary enrollment changed from 3rd Grade to Preschool and Kindergarten in fiscal year 2021 and was at Evamere Elementary.

PreK and Kindergarten moved to McDowell Elementary building in fiscal year 2022. Enrollment includes Kindergarten students attending on a half-time basis.

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

East Woods Intermediate was under construction during fiscal year 2021. 3rd - 5th Grade students were at the former Hudson Middle School.

The new Hudson Middle School opened in fiscal year 2021 (Grades 6-8).

2018	2017	2016
59,847	59,847	59,847
604	594	580
56,800	56,800	56,800
309	327	317
64,411	64,411	64,411
424	381	390
139,900	139,900	139,900
682	663	683
190,432	190,432	190,432
1,086	1,122	1,081
342,620	342,620	342,620
1,603	1,574	1,605

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**TEACHER STATISTICS
AS OF JUNE 30, 2025**

Degree	Number of Teachers (FTE)	Percentage of Total	Pay Range
Bachelor's Degree	35	12.41%	\$49,121 - \$74,124
Master's Degree	245	86.88%	\$53,586 - \$117,890
Ph.D.	2	0.71%	\$60,728 - \$122,803
	<u>282</u>	<u>100.00%</u>	

Years of Experience	Number of Teachers (FTE)	Percentage of Total
0 - 5	41	14.54%
6 - 10	62	21.99%
11 and over	179	63.48%
	<u>282</u>	<u>100.00%</u>

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	General Operating Fund		ODEW Enrollment (a)	Percent Change	Teaching Staff	Student Attendance Percentage
	Cash Basis Disbursements	Cost Per Pupil				
2025	\$ 81,217,579	\$18,206	4,461	-0.89%	360	95.0%
2024	76,715,093	17,044	4,501	-2.39%	361	95.1%
2023	72,530,392	15,730	4,611	0.11%	361	94.6%
2022	69,490,359	15,087	4,606	0.79%	367	95.1%
2021	66,782,770	14,613	4,570	-1.68%	356	97.0%
2020	65,822,610	14,161	4,648	0.43%	349	96.8%
2019	64,391,590	13,913	4,628	0.81%	347	96.0%
2018	60,766,413	13,236	4,591	0.04%	344	95.9%
2017	58,091,402	12,659	4,589	0.66%	342	96.0%
2016	56,753,166	12,449	4,559	0.46%	338	95.8%

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

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

Hudson City School District

Dedicated to Excellence in Education



www.Hudson.k12.oh.us



Hudson City Schools, Ohio



Hudson City Schools, Ohio



@hudsonohschools



@ Hudson City Schools, Hudson

OHIO AUDITOR OF STATE KEITH FABER



HUDSON CITY SCHOOL DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/5/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov