

**HUDSON LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 1999**

**HUDSON LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 1999**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	1
Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	3
Schedule of Federal Awards Receipts and Expenditures .....	5
Notes to the Schedule of Federal Awards Receipts and Expenditures .....	7
Schedule of Findings .....	8



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

111 2<sup>nd</sup> Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001

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

Hudson Local School District  
Summit County  
2386 Hudson-Aurora Rd.  
Hudson, Ohio 44236

To the Board of Education:

We have audited the general purpose financial statements of Hudson Local School District, Summit County, (the District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 10, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

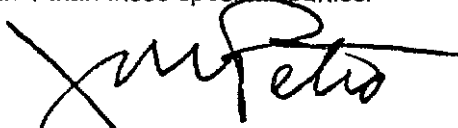
**Internal Control Over Financial Reporting**

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 10, 1999.

Hudson Local School District  
Summit County  
Report on Compliance and on Internal Control Required By  
*Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

December 10, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 2<sup>nd</sup> Street, NW  
Fourth Floor  
Canton, Ohio 44702  
Telephone 330-438-0617  
800-443-9272  
Facsimile 330-471-0001

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

Hudson Local School District  
Summit County  
2386 Hudson-Aurora Rd.  
Hudson, Ohio 44236

To the Board of Education:

**Compliance**

We have audited the compliance of Hudson Local School District, Summit County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

**Internal Control Over Compliance**


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

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

#### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 10, 1999. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



**Jim Petro**  
Auditor of State

December 10, 1999

**HUDSON LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1999**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$41,090	\$0	\$39,216
National School Lunch Program	03PU-98	10.555	11,028	0	11,028	0
	04PU-98		3,171	0	3,171	0
	03PU-99		29,611	0	29,611	0
	04PU-99		7,940	0	7,940	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>51,750</u>	<u>41,090</u>	<u>51,750</u>	<u>39,216</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education_Grants to States	6BSF98	84.027	0	0	42,956	0
	6BSF99		217,869	0	177,200	0
Total Special Education_Grants to States			<u>217,869</u>	<u>0</u>	<u>220,156</u>	<u>0</u>
Special Education - Preschool Grant	PGS198	84.173	0	0	2,778	0
	PGS199		22,815	0	20,564	0
Total Special Education - Preschool Grant			<u>22,815</u>	<u>0</u>	<u>23,342</u>	<u>0</u>
Total Special Education Cluster			<u>240,684</u>	<u>0</u>	<u>243,498</u>	<u>0</u>
Innovative Education Program Strategies	C2S197	84.298	(467)	0	10,584	0
	C2S198		0	0	20,941	0
Total Innatative Education Program Strategies			<u>(467)</u>	<u>0</u>	<u>31,525</u>	<u>0</u>
Safe and Drug-Free Schools and Communities_ State Grants	DRS197	84.186	(40)	0	232	0
	DRS198		11,624	0	12,582	0
	DRS199		10,147	0	8,956	0
Total Safe and Drug-Free Schools and Communitis_State Grants			<u>21,731</u>	<u>0</u>	<u>21,770</u>	<u>0</u>
Goals 2000_State and Local Education	G2-A2-99	82.276	3,050	0	3,050	0
Eisenhower Professional Development State Grants	MSS197	84.281	(1,355)	0	9,048	0
	MSS297		0	0	15,300	0
	MSS198		0	0	369	0
Total Eisenhower Professional Development State Grants			<u>(1,355)</u>	<u>0</u>	<u>24,717</u>	<u>0</u>

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



**HUDSON LOCAL SCHOOL DISTRICT  
SUMMIT COUNTY**

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1999  
(Continued)

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Summit County</i>						
Technology Challenge Grants	RR303A50380	84.303	5,841	0	342	0
			<u>8,393</u>	<u>0</u>	<u>23,393</u>	<u>0</u>
Total Technology Challenge Grants			<u>14,234</u>	<u>0</u>	<u>23,735</u>	<u>0</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Summit Six District</i>						
<i>Vocational Educational Compact:</i>						
Vocational Education - Basic Grants to States CPII-S98-098		84.048	485	0	0	0
Total U.S. Department of Education			<u>330,112</u>	<u>41,090</u>	<u>400,045</u>	<u>39,216</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Learn and Serve America_Schools and Community Based Programs	SV-S2-98 SV-S1-99	94.004	(1,208)	0	1,824	0
			<u>14,996</u>	<u>0</u>	<u>8,008</u>	<u>0</u>
Total Learn and Serve America_Schools and Community Based Programs			<u>13,788</u>	<u>0</u>	<u>9,832</u>	<u>0</u>
<b>Totals</b>			<u>\$343,900</u>	<u>\$41,090</u>	<u>\$409,877</u>	<u>\$39,216</u>

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR FISCAL YEAR ENDED JUNE 30, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the District had no significant food commodities in inventory.

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

**JUNE 30, 1999**

**1. SUMMARY OF AUDITOR'S RESULTS**

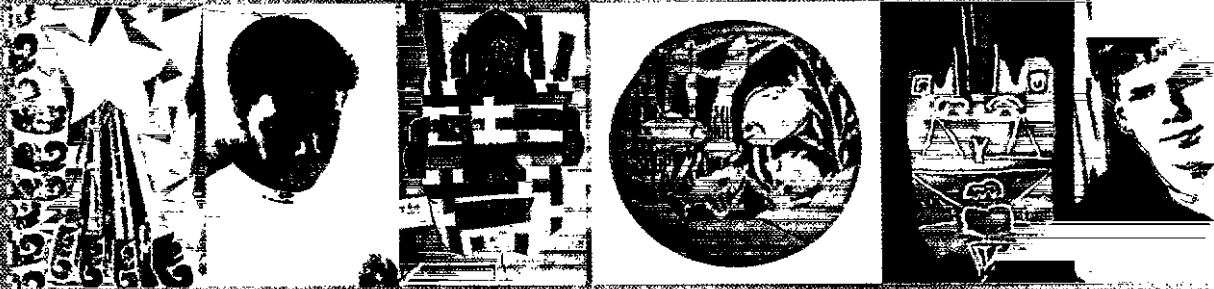
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)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

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

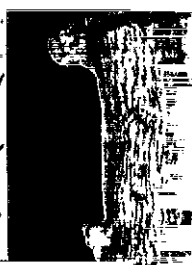
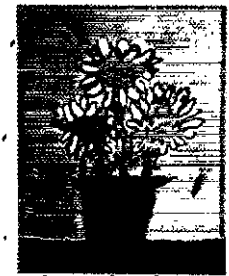
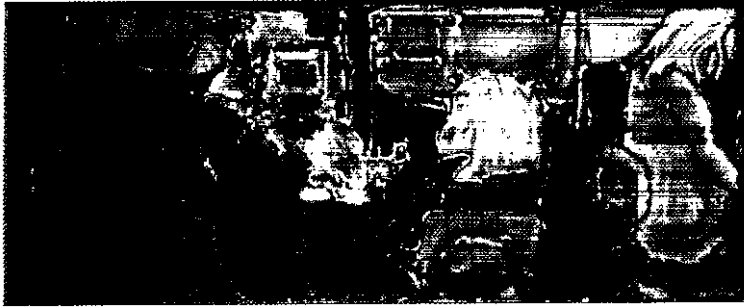
None

**3. FINDINGS FOR FEDERAL AWARDS**

None



*Expect Excellence. Share Responsibility. Value Learning.*



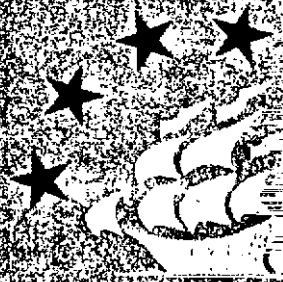
*Comprehensive Annual Financial Report*

*for the Fiscal Year Ended June 30, 1999*

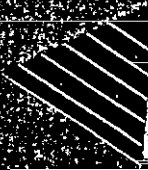
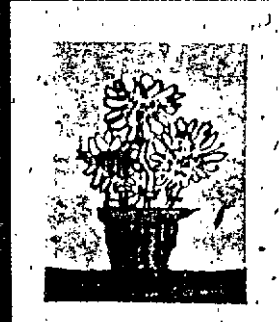
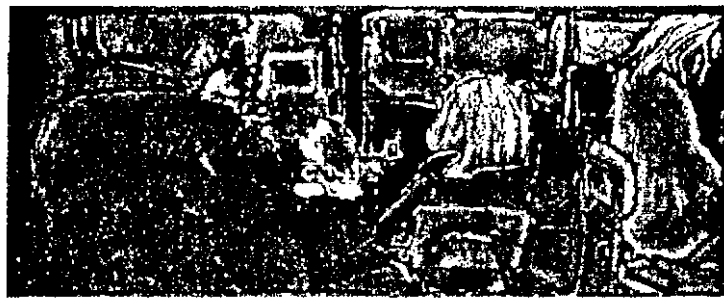
*Hudson Local School District*

*2386 Hudson-Aurora Road • Hudson • Ohio*





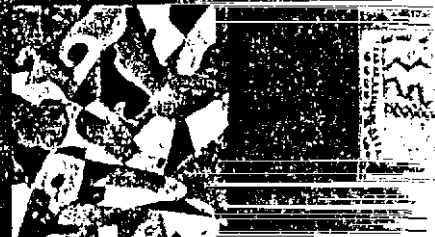
*Expect Excellence. Share Responsibility. Value Learning.*



*Comprehensive Annual Financial Report*

*For the Fiscal Year Ended June 30, 1999*

*Hudson Local School District  
2386 Hudson-Aurora Road • Hudson • Ohio*



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

*The Hudson Local School District  
Hudson, Ohio*

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

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



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

*Hudson Local School District*  
*Hudson, Ohio*  
*Locator Map*



## *Educational Mission Statement*

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

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

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



HUDSON LOCAL SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS

---

I.	INTRODUCTORY SECTION		
	Title Page .....		i
	Table of Contents .....		ii
	Transmittal Letter .....		vii
	Organizational Chart .....		xxxiv
	Certificate of Achievement for Excellence in Financial Reporting .....		xxxv
	Certificate of Excellence in Financial Reporting .....		xxxvi
II.	FINANCIAL SECTION		
	REPORT OF INDEPENDENT ACCOUNTANTS .....		1
	GENERAL PURPOSE FINANCIAL STATEMENTS:		
	Combined Balance Sheet - All Fund Types and Account Groups .....		4
	Combined Statement of Revenues, Expenditures and Changes In Fund Balances - All Governmental Fund Types and Expendable Trust Fund .....		6
	Combined Statement of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual - (Budget Basis) - All Governmental Fund Types and Expendable Trust Fund .....		8
	Combined Statement of Revenues, Expenses and Changes In Retained Earnings/Fund Balances - All Proprietary Fund Types and Nonexpendable Trust Fund .....		13
	Combined Statement of Revenues, Expenses and Changes In Fund Equity - Budget and Actual - (Budget Basis) - All Proprietary Fund Types and Nonexpendable Trust Fund .....		14
	Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund .....		17
	Notes to the General Purpose Financial Statements .....		19

---

HUDSON LOCAL SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS  
 (continued)

---

SUPPLEMENTAL DATA:

Governmental Funds:

General Fund:

Description of Fund .....	51
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual (Budget Basis) .....	52

Special Revenue Funds:

Description of Funds .....	56
Combining Balance Sheet .....	58
Combining Statement of Revenues, Expenditures and Changes In Fund Balances .....	62
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual (Budget Basis) .....	66

Debt Service Fund:

Description of Fund .....	86
Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual (Budget Basis) .....	87

Capital Projects Funds:

Description of Funds .....	88
Combining Balance Sheet .....	89
Combining Statement of Revenues, Expenditures and Changes In Fund Balances .....	90
Schedules of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual (Budget Basis) .....	91

Proprietary Funds:

Enterprise Funds:

Description of Funds .....	94
Combining Balance Sheet .....	95
Combining Statement of Revenues, Expenses and Changes In Retained Earnings .....	96
Combining Statement of Revenues, Expenses and Changes In Fund Equity - Budget and Actual (Budget Basis) .....	97
Combining Statement of Cash Flows .....	104

---

HUDSON LOCAL SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS  
 (continued)

---

Internal Service Funds:	
Description of Funds .....	105
Combining Balance Sheet .....	106
Combining Statement of Revenues, Expenses and Changes In Retained Earnings .....	107
Schedules of Revenues, Expenses and Changes In Fund Equity - Budget and Actual (Budget Basis) .....	108
Combining Statement of Cash Flows .....	114
Fiduciary Funds:	
Description of Funds .....	116
Combining Balance Sheet - All Trusts and Agency Fund .....	117
Schedule of Revenues, Expenditures and Changes In In Fund Balance - Budget and Actual (Budget Basis) - Special Expendable Trust Fund .....	118
Schedule of Revenues, Expenses and Changes In In Fund Balance - Budget and Actual (Budget Basis) - Enoch Clark Nonexpendable Trust Fund .....	119
Combining Statement of Changes In Assets and Liabilities - Agency Fund .....	120
General Fixed Assets Account Group:	
Description of Account Group .....	121
Schedule of Changes In General Fixed Assets by Function .....	122
Schedule of General Fixed Assets by Source .....	123
III. STATISTICAL TABLES:	
General Fund Revenues by Source - Last Ten Fiscal Years .....	125
General Fund Expenditures by Function - Last Ten Fiscal Years .....	126
Property Tax Levies and Collections - Real and Public Utility Taxes - Last Ten Calendar Years .....	127
Assessed and Estimated Actual Value of Taxable Property - Last Ten Calendar Years .....	128
Property Tax Rates - Direct and Overlapping Governments - Last Ten Calendar Years .....	129
Computation of Legal Debt Margin .....	130
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years .....	131

---

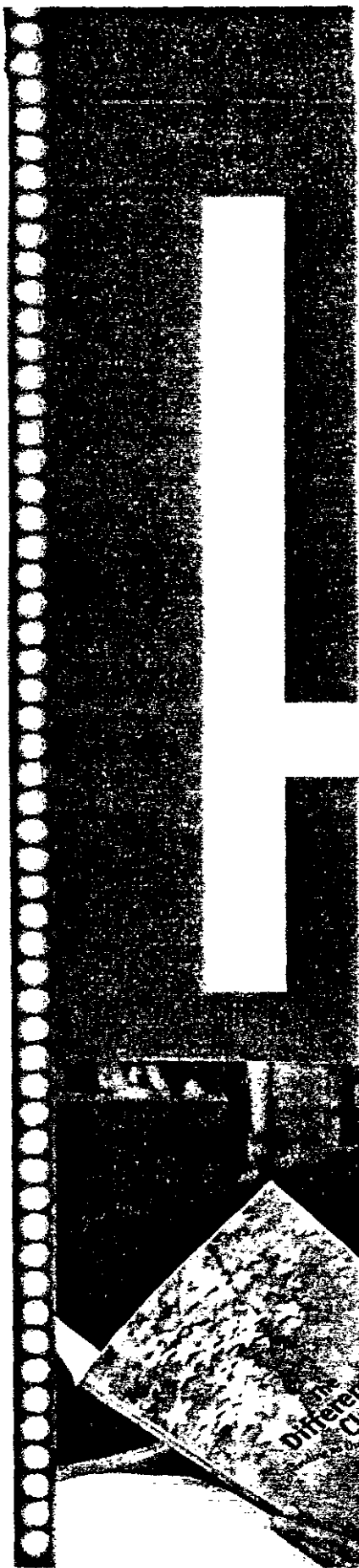
HUDSON LOCAL SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS  
(continued)

---

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Fiscal Years . . . . .	132
Computation of Direct and Overlapping General Obligation Bonded Debt . . . . .	133
Demographic Statistics - Last Ten Calendar Years . . . . .	134
Property Value, Construction and Financial Institution Deposits - Last Ten Years . . . . .	135
Principle Taxpayers - Real Estate Tax . . . . .	136
Principle Taxpayers - Tangible Personal Property Tax . . . . .	137
Ten Year Attendance Data . . . . .	138
Ten Year Enrollment History . . . . .	139
Ten Year Enrollment Projection . . . . .	140
Cost to Educate a 1998 Graduate . . . . .	141
Educational Statistics - Last Five School Years . . . . .	142

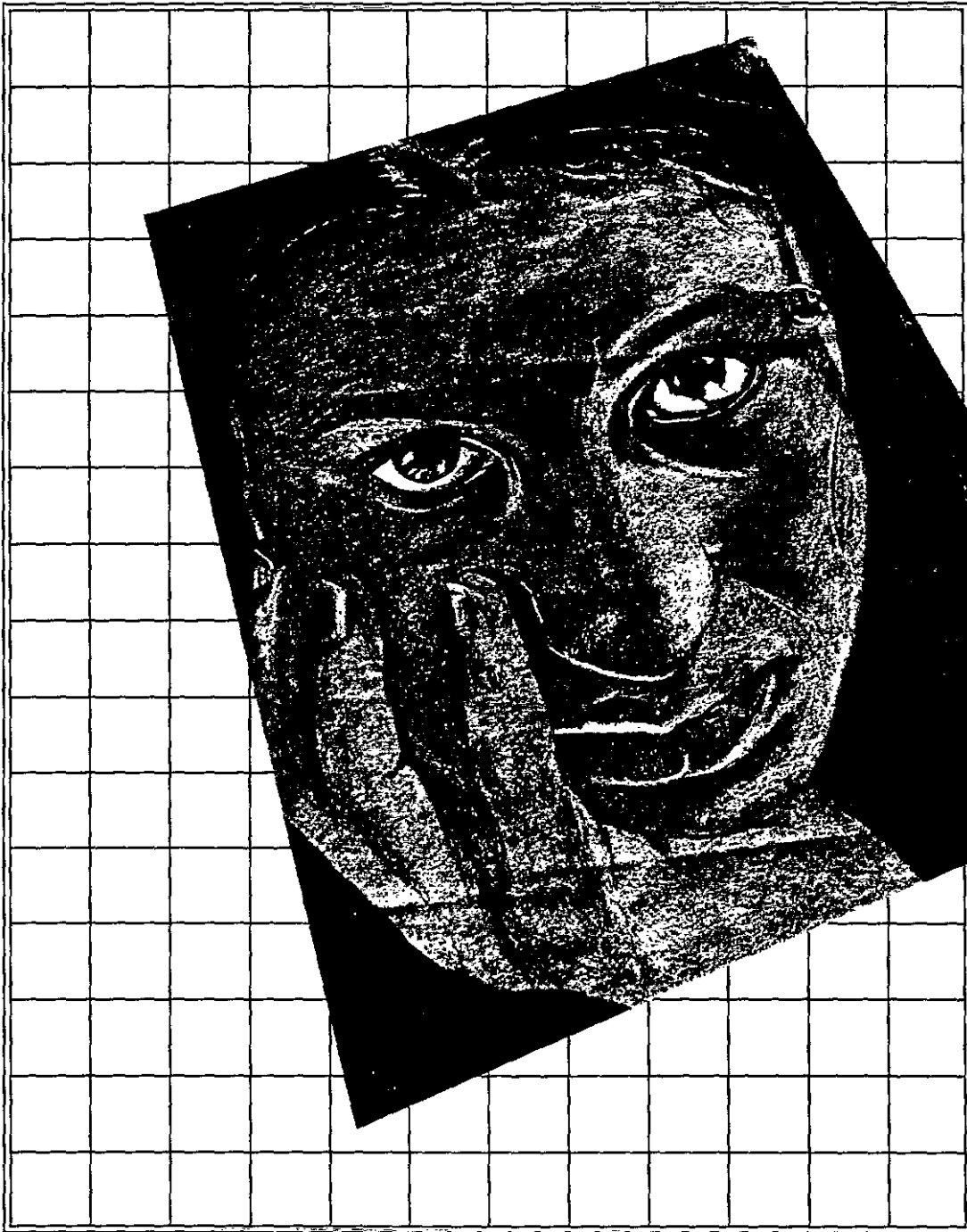
---



# *Introductory Section*

*Hudson Local School District*

*I  
n  
t  
r  
o  
d  
u  
c  
t  
i  
o  
n*



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

**BOARD OF EDUCATION:**

Philip J. Kaszar, President  
Vicki S. Soukup, Vice-President  
John T. Billick  
Jane M. Dailey  
Lyn R. Wilhoite

653-1200 (Local) 650-4040 (Akron)  
653-2590 (Cleveland)  
FAX: 330-656-2292

**ADMINISTRATORS:**

Craig Urmston, Treasurer  
Deanna Levenger, Assist.  
Treasurer

December 10, 1999

Citizens and Board of Education, Hudson Local School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Hudson Local School District (School District) for the fiscal year ended June 30, 1999. This CAFR, which includes an opinion from the Auditor of the State of Ohio, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

This report is divided into the following sections:

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



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

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

### ***The Reporting Entity***

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

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

### ***The School District And Its Facilities***

The School District serves an area of approximately 34 square miles in and around the City of Hudson. It is located in Summit County, approximately 28 miles southeast of downtown Cleveland and 14 miles north of Akron. The Hudson Local School District is a rapidly growing affluent suburban district. Nearly 100% of the City of Hudson and portions of three other municipalities and a township are located within the School District. They are: the City of Cuyahoga Falls, the City of Stow, the Village of Boston Heights and Boston Township. Hudson's population in 1980 was 12,645 residents. By 1990, according to the U.S. Census Bureau, Hudson's population had grown to 17,125 (11,966 Township and 5,159 Village). Estimated population of the City of Hudson is now 21,839. The School District population is considerably larger, estimated to exceed 27,000.

Because of the rapid growth of Hudson and the surrounding area, the School District's enrollment has been increasing since 1980. The School District has recorded more than 18 consecutive years of increasing enrollment. The School District's enrollment for fiscal year end June 30, 1999 was 5,526 students.

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





---

## ***Economic Condition And Outlook***

Ohio's seasonally adjusted unemployment rate was 4.5% in June, 1999, and the nation's unemployment rate for June, 1999 was 4.5%. Additionally, June, 1999, employment in the State of Ohio numbered 5,570,000. Specific employment figures for the Hudson Local School District are not available. (Labor Force Estimates, June, 1999, Ohio Bureau of Employment Services).

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

According to the latest available income data, the 1997 median Federal income per tax return for Hudson Local School District residents was \$54,175. That ranks our School District 2<sup>nd</sup> highest in the State of Ohio. 1997 average federal income per tax return for Hudson Local School District residents was \$97,195. Our School District ranks 7<sup>th</sup> in the State in average Federal income per tax return.

The Hudson Local School District receives 70% of its total revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. Total assessed valuation of the School District rose by 101% in the last ten years. The increased value in the tax duplicate is attributed to new construction (59%) and the balance (41%) to revisions in property values made by the County Auditor over the most recent ten-year period.

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

## ***Organization Of The District***

The Hudson Local School District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio law, the School District is a separate and distinct unit of government. The Hudson Local 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 School District's tax dollars.



### ***Subsequent Event***

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

### ***Principal Officials***

#### **BOARD MEMBERS**

<b><u>Name</u></b>	<b><u>Began</u></b>	<b><u>Expires</u></b>	<b><u>Profession</u></b>
Philip J. Kaszar President	01-01-98	12-31-01	Managing Director & Principal Brown, Gibbons, Lang & Company
Vicki S. Soukup Vice President	01-01-96	12-31-03*	Financial Consultant
John T. Billick	01-01-96	12-31-99	Managing Partner Belkin, Billick & Harrold
Jane M. Dailey	01-01-98	12-31-01	Homemaker
Lyn R. Wilhoite	01-01-98	12-31-01	Homemaker

\*Re-elected November 1999

#### **ADMINISTRATION**

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



---

## ***Employee Relations***

The School District currently has approximately 631 full-time and part-time employees. There are two organizations representing School District employees. Certified employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Hudson Education Association (HEA). Support employees, including cooks, custodians, educational aides and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees Local 372 (OAPSE). During the winter and spring of 1998, the Board successfully concluded negotiations with both labor organizations on a three-year agreement, for wages and fringe benefits. Wage agreements reached for the three-year period September 1, 1997, through August 30, 2000, with the Hudson Education Association included raises of 4.0%, 3.5% and 3.5% effective September 1 of each year. The wage agreement with Ohio Association of Public School Employees Local 372, included raises of 4.0%, 3.5% and 3.5% effective July 1 of each year of the three-year contract which extends from July 1, 1998 through June 30, 2001.

## ***Services Provided***

The School District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The School District contracts out its transportation of students. During the 1998-99 fiscal year the School District's fleet of 54 buses traveled 3,095 miles each day providing transportation services to 4,811 public and 369 private and parochial students. The Food Service Department served an average of 4,081 meals daily for a total of 726,441 meals annually through the School District's school lunchrooms.

In addition to transportation and school lunch support services offered to children in the School District, guidance, special education, (including school psychology services), and health services are available free of charge. Guidance services support the school environment and are designed to help students achieve a well-adjusted social life. Special education services, including school psychology services, are provided for all 13 federal disability categories ranging from preschool-age students through high school. Health services consist of the staffing of school clinics with R.N. or L.P.N. level nurses and health promotion classes. The health services program is provided in collaboration with the Cleveland Clinic Foundation where a medical director oversees the School District program.

At the center of the School District's services are the instructional programs. The School District offers regular instructional programs daily to students in Grades Pre-kindergarten to twelve. The School District serves 551 identified students who need specially designed programs. These students receive service through the wide array of special education programs offered in the School District.

Finally, there are numerous academic and athletic programs for students, providing them with a number of enriching experiences. The School District provides through its Community Education and Recreation Department, a community-wide recreation program during the school year and throughout the summer months. The programs and activities provide a lifetime of memories for Hudson's students.



## ***Major Initiative And Events - Fiscal Year 1999***

### **Major Initiative #1**

The emphasis during the school year, 1998-99, was to engage the community in the philosophy that creating a healthy environment that supports asset building for children is everyone's responsibility. Asset building is creating opportunities for involvement of students in productive endeavors and having available support systems they can use. This initiative, known as Community First, extends across the Hudson Community, and includes the School District, the City of Hudson, the religious community, parents, business and numerous community-wide service organizations.

### **Major Initiative #2**

Many district projects supporting the integration of technology into the curriculum were completed. A draft copy of technology competencies using national and state guidelines was completed for students in kindergarten through eighth grade during 1998. Graduate technology courses were offered to the staff in productivity tools, designing web pages and digital video editing. Release time and after school technology workshops were made available. The Academics and Technology Action Team for the Strategic Plan developed performance indicators and action plans.

The School District funded twenty Technology Proposals for hardware, software, staff development and mentoring at East Woods School, Hudson Middle School and Hudson High School. In addition, a new multimedia lab was installed at the high school for new multimedia classes, research and discovery classes and engineering/drawing class.

### **Major Initiative #3**

Our kindergarten through fourth grade classrooms received \$167,920 in funding for hardware, software and staff development through a SchoolNet Plus Grant. Grant funding was also received for SchoolNet Novice Training for teachers. The Federal Technology Challenge Grant provided funding through Summit County Educational Service Center for nine (9) elementary teachers to participate in the Academy for Technology and Learning which culminated in a Celebrate Learning Fair at Chapel Hill Mall on May 1, 1999. A NASA Exploring the Earth Workshop during summer, 1998, was held at Hudson High School for middle school and high school teachers and was funded through a private corporate grant. The state-funded Telecommunity Grant provided cameras, software and staff development for high school staff. Twelve teachers participated in the new Kent State University (KSU) Technology Field Experience Program, which was funded by a Martha Holden Jennings Grant. Ten REACH teachers and gifted inclusion teachers participated in a distance learning project through KSU which was funded by the Ohio Board of Regents.

### **Major Initiative #4**

A major focus for the 1998-99 school was the implementation of courses of study for various grades and science was the major emphasis for kindergarten through sixth grade. This involved the purchase and distribution of over 300 science kits to over 50 teachers, the planning and facilitation of three full days of professional development for the teachers during the summer of 1998, and the maintenance of the supplies for the kits throughout the year. In addition, each teacher attended a full day science inservice in the winter of 1999 to discuss strategies for classroom management and to share effective teaching methodology. Seventh and eighth grade science teachers added new units (Genetics in seventh grade, Water Studies in eighth grade) and implemented them in the classroom. New materials were purchased and distributed for this purpose.



High school science teachers completed curriculum adoptions for the Physical Science, Physics and Chemistry in the Community courses.

#### **Major Initiative # 5**

Our elementary teachers continue to be recognized locally and statewide for their excellence in teaching with this curriculum. Teachers from all grade levels, kindergarten through sixth, have been asked to develop and conduct workshops in Mahoning County, Strongsville and Oxford. A team of teachers from Sandusky and Toledo visited several schools in May to observe mathematics teaching.

A team of middle school teachers conducted a successful pilot of three units of the Connected Math Project curriculum and used the Connected Math Project curriculum to supplement and enhance the concepts taught in the Transitions Math course. Teacher and student response to the pilot was very positive, and summer writing was conducted to discuss results and plans for next year. It was recommended that more teachers participate in the pilot for next year, and that a fourth unit be added to some classes at the sixth grade level.

The high school mathematics department adopted new texts for the Senior Algebra course and will purchase the new copyright UCSMP Geometry text for next year. In addition, extensive dialogue was held concerning the Tenth Grade Proficiency Test and its implications for mathematics in Hudson.

#### **Major Initiative #6**

The INFOhio online catalog system was implemented at Evamere Elementary and Hudson Elementary Schools. The system converts the paper-based card catalog to the computerized INFOhio system, which has circulation, inventory and search capabilities. Circulation and search stations were installed in the libraries. Library staff members were trained in new techniques for cataloging materials. The School District hosted the INFOhio Social Studies Literacy Seminar for Northeast Ohio in October. We also hosted a Media Center Advocacy Workshop for Ohio Educational Library Media Associates in May. Hudson librarians worked with the staff members of Lakeshore Northeast Ohio Computer Association (LNOCA) to implement a new inventory system for Northeast Ohio INFOhio users.

Media specialists provided workshops on how to use both the INFOhio system and Internet Media Literacy. The sessions provided staff with an opportunity to see the options available to them in searching the online catalogs of all of the Hudson Local School District Schools. Building level workshops were held during the school year that focused on specific on-line databases for those grade levels.

#### **Major Initiative #7**

During the 1998-99 school year, the language arts course of study review continued. The focus for the year was studying the research on spelling. The Literacy Team, including the Language Arts Content Facilitators, worked to finalize the spelling instructional guide, to develop a rubric for evaluating spelling texts, to develop a plan for presenting the instructional guide and textbook samples to the kindergarten to fifth grade staff and to develop a writing course for the 1999-00 school year for teachers to help focus attention on writing instruction.

Research to identify students needing early intervention in Reading was reviewed. We examined the past history of students who failed the proficiency test to look for patterns. Tools were developed to assist in early identification of reading difficulties.



The School District, through the work of the social studies department, was the host for a conference of History teachers learning about the Advanced Placement History Test. Two college professors, involved in creating and scoring the Advanced Placement History Test on the national level, led the conference. Three teachers from the School District were selected this year to be readers for the Advanced Placement History Test.

### ***Major Initiative #8***

During the 1998-99 school year, the REACH team (Gifted and Talented Program) and four classroom teachers participated in staff development/technology activities related to the Kent State University Learning and Teaching Program. The program uses desktop computers and the CU-SEE-ME two-way audio/video cameras.

Also, plans were begun for a project that would enrich and expand the experiences of 1999-00 Summit County Educational Service Center Technology Academy participants. Technology, REACH and Special Education district coordinators planned staff development workshops and classroom visits for implementation throughout the 1999-00 school year. The focus of the workshop is in the area of differentiation of instruction for all learners.

### ***Major Initiatives For The Future***

Action Plan Teams in the six-key areas of the strategic plan—Excellence, Academics and Technology, Communications, Parent and Community Involvement, Extracurricular Activities and Facilities – will be implementing the plans worked on last year and completed during the summer. Each plan includes strategies, resources, timelines, and people responsible for various activities.

This year will involve examining materials for the spelling program. During the fall, the instructional guides will be distributed and material status discussed.

The Writing Course offered to our teachers will begin with Ralph Fletcher, a nationally recognized writing specialist, as the kick-off speaker. This course is designed to support our teachers' study of writing and will support the rewriting of the instructional guide to be implemented next year.

As a result of studying the research on early identification for reading intervention, first, second, third grade and supplemental reading teachers will learn the Developmental Reading Assessment.

The Social Studies Course of Study will be reviewed this school year and updated in the summer of 2000. The high school scope and sequence will be reviewed in terms of the high school qualifying exam. This review will compare research results with current content and instructional methods.

### ***Asset Building***

Asset Building includes the school, family, community and religious organizations as asset builders for students. As part of the Community First initiative, asset building is actively under development in each building. Asset Building is creating opportunities for involvement of students in productive endeavors and having available support systems they can use. Building Action Teams devised implementation plans making asset building an integral part of each student's life.



---

### Academics/Technology

The focus of technology continues to be how to use technology to improve student learning rather than how to use technology as an end in itself. Areas of technology to be developed include voice and video data access in each classroom. INFOhio's information literacy skills program will be integrated into appropriate places across the entire curriculum in order to develop students as critical consumers of technology.

### Gifted and Talented Audit Initiative

During 1998-99, the Reach Coordinator, Director of Curriculum and Assistant Superintendent planned for the implementation of compliance procedures outlined in House Bill 282 regarding screening, identification and curriculum for gifted education. The evaluation of the REACH program begins in 1999-00 with the assistance of consultants from Kent State University. Data collection, surveying and interviews are planned. Recommendations for programming, identification and curriculum are anticipated.

### Communications

As a result of the Strategic Plan, communications in the School District are being developed through a multi-pronged approach: community dialogues, a new employee newsletter, weekly e-mail updates on What's Happening, a new look for our School Notes, Hudson Agenda Parent Communication, and cable TV pieces.

### Facilities

The Facilities Action Plan Team is investigating the feasibility of new and renovated facilities for the purpose of addressing grade level configuration, curricular/service programs, and enrollment.

### Assessment

A district-wide initiative is the study of assessment practices in pre-kindergarten through twelfth grade. Teachers will be investigating best practices in assessment including traditional assessments, performance-based assessments (speeches, plays, debates, etc.), and product-based assessments (writings, reports, and research papers) that can be collected in student portfolios and evaluated for long-term growth. Teachers will be studying what is "balanced assessment" for student and parent stakeholders. At the kindergarten through fifth grade level, this will be the beginning of our report card re-evaluation. Other areas under study in assessment include the early identification of reading difficulties in grades one through three and district-wide writing assessments.

### Curriculum

This year, teachers will be using National Council of Teachers of Mathematics National Standards, as well as the science benchmarks, to develop performance in mathematics. Performance indicators, what students will know and be able to do at each grade level, will then be incorporated into a new mathematics course of study to be written over the summer.

The School District has been selected to participate in a math/science consortium with other districts from the Summit/Stark/Mahoning County area. This consortium will look at successful practices in math and science in various districts. This information and experience will be invaluable to our continuing efforts to maintain high standards in these subject areas in Hudson.



Parent information meetings will be held in each building early in the year to continue to inform parents of the focus of our elementary math program, to inform them of the progress we are making as a district, and to allow them to help their children at home with mathematics. At the middle school, the Connected Math/Transitions pilot will continue and will need to be assessed. Teachers will receive specific instruction in the constructivist method for pre-algebra and algebra. We anticipate participation of local professors from area colleges and universities.

Other curricula writing this year includes Family Life and Consumer Science, Health, and Drama in the Language Arts Curriculum.

High school administration and faculty members are participating in study groups to plan the future direction of the high school. Small groups are studying one of these topics: curriculum, assessment, time and use of resources. Focus groups for students and parents will provide the communication piece for other stakeholders.

### ***District Wide***

#### ***Pre-Kindergarten through Twelfth Grades***

A New paradigm—one that addresses deeper causes and needs—is in the making. This approach is summed up in the phrase “Asset Building.” This paradigm challenges communities like ours, to tap the caring, creative energies of neighborhoods, families, schools, congregations, workplaces, youth organizations, and informal gatherings of people to begin the hard work of revolutionizing our communities into united, healthy environments committed to youth. The Hudson Local School District has become and will continue to be an active stakeholder in this new endeavor.

#### ***Elementary: Pre-Kindergarten through Fifth Grades***

We presently have all the new state curriculum models in place. Our future focus will be to integrate across the curriculum. Content areas need to be taught in relationship with each other, not in isolation. We will be integrating technology across the curriculum as a tool of teaching and learning.

#### ***Middle School: Sixth through Eighth Grades***

Great emphasis is being directed towards the refinement of the teaming concept and the importance of learning communities. Due to the large size of the middle school, we are creating schools within a school in order to personalize the educational process. We are also integrating the curriculum with technology. This includes the fine and performing arts.

#### ***High School: Ninth through Twelfth Grades***

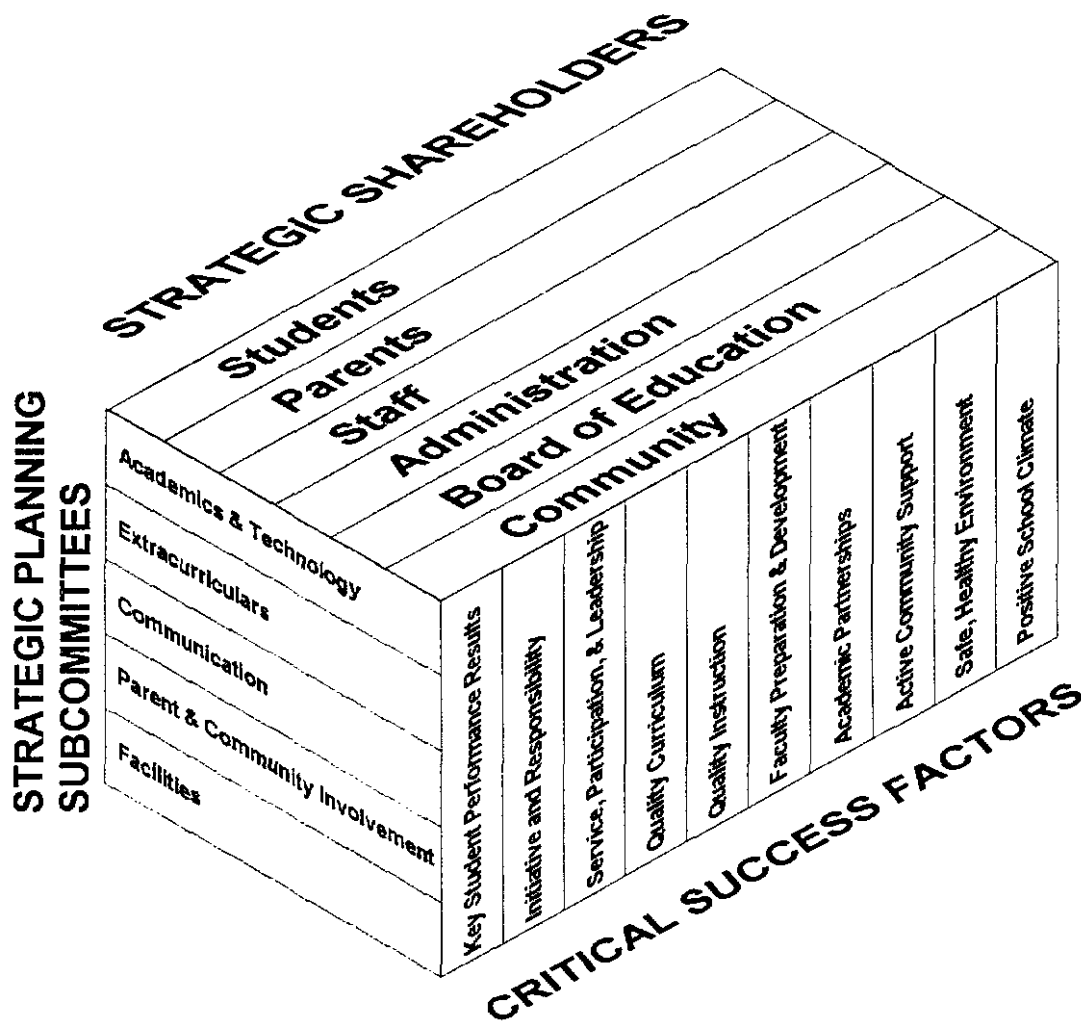
Our focus is on a three-year study regarding multiple intelligences. This provides the motivation to address the importance of developing and assessing meaningful student work. We are using the research to align teaching styles with learning styles. Our new curriculum models are in place, so we are progressing toward the integration of our comprehensive high school curriculum.





**Strategic Planning**

The Model for Excellence provides a three-dimensional map to help visualize how Excellence forms the umbrella for each of the Strategic Planning Committees, the Strategic Shareholders in the Education of Hudson students, and the Critical Success Factors for teaching and learning. The intersection of each dimension of this cube is a point of specific educational program activity for consideration, articulation, and assessment.



In early fall, 1998, the Strategic Plan Committee Members were brought together to prioritize the objectives within the plan. The objectives were prioritized in preparation for the writing of action plans. The prioritized objectives were brought to a committee of representatives of students, staff, parents, Board of Education and community members and the Operational Phase Committee for input and approval. With the committee’s recommendation, the Board of Education approved the prioritized objectives to be used for Action Plan development.



Action Plans were written during the Winter and Spring of 1998-99. Base-line data has been collected and will be used to assess progress towards the intended goals. Following are the goals with the prioritized objectives. With the objectives, are the performance indicators identified during the action plan writing as those performances to be used to measure our progress towards the objectives and goals.

### **Excellence**

***Goal:*** *Management Practice – the Hudson Local School District will implement management models to ensure excellence in all areas.*

- ◆ The Hudson Local School District will provide services needed to enable the strategic plan, including Model for Excellence to be fulfilled.
  - The School District takes a proactive role in the legislative process at local and state levels.
  - (A) Each department/unit/building utilizes decision-making processes based on best practices and the contributions of staff in action research inquiry. The process includes a means for evaluating the effectiveness of results. (B) The decision-making processes involves the participation of parents, students, and staff.
  - The vision and mission is a dynamic part of the Hudson Local School District culture such that (A) the process of envisioning is ongoing and (B) daily practices of the organization reflect its shared belief and vision.
  - The district encourages and supports the creation of collaborative relationships for substantive problem-solving and decision-making within the School District, between schools and parents, and among those agencies and groups that provide service to children and youth, in order to ensure that each child has the support needed to succeed in school and in the community.
  - Throughout the Hudson Local School District, there is a clear focus on the needs of the students as the primary customers for the work that the School District provides and on the needs and expectations of those whose support is needed if the students are to be served effectively.

***Goal:*** *Fiscal Practice – The Hudson Local School District will demonstrate sound financial management, careful budgeting, and detailed evaluation of existing and planned for programs.*

- The School District utilizes effective financial management models.
- The School District regularly communicates financial information to its stakeholders and seeks measures of financial excellence.

### **Academics And Technology**

***Goal:*** *The Hudson Local School District will provide students with a liberal arts education grounded in a strong broad base of academic and technological knowledge, skills, and strategies.*

- ◆ Each student will be provided opportunities for learning in science, math, humanities, the visual and performing arts, and technology.
- ◆ Students will be provided opportunities to explore and develop individual interests consistent with broad-based educational goals.



- ◆ The School District will provide opportunities for professional growth and staff development to facilitate student learning.
  - *Commitment/ownership of the Strategic Plan -- Staff will participate in core collection of activities which reflect district mission, curriculum objectives and challenges.*
  - *Differentiation -- Differentiated learning opportunities are provided to all staff and students using a variety of strategies and formats. Effective teaching strategies are implemented.*
  - *Evaluation and Research -- Provide opportunities for action research that utilizes data to evaluate teacher effectiveness on student performance and to design on-going staff development.*
  - *Collaboration -- All district personnel support each other in the pursuit of quality collaboration which benefits teacher instruction, student learning, district and building management and community involvement.*
  - *Leadership Development/Staff Expertise -- All staff members and administration will be given on-going opportunities to develop optimal intellectual and leadership capacities.*
- ◆ *Evaluate the emerging technologies and the potential for integration into our curriculum.*

***Goal:*** *The Hudson Local School District will prepare students to be confident, reflective problem-solvers who, through continuous learning, will anticipate and embrace the challenges of change.*

- ◆ Each course of study will provide an integrating, interpretive component that could include, but is not limited to, journal writing, musical composition, artistic expression, or application of technology.
- ◆ Each course of study will provide experiences to promote positive aspects of change and encourage students to extend themselves intellectually into unfamiliar areas.
  - Students will develop technology competencies to gather, evaluate, and integrate data into and across disciplines.
  - Students will apply appropriate ethical practices to their technology use.
  - The learning environment promotes intellectual and cultural risk taking by requiring students to select unfamiliar topics, areas, and/or experiences to enhance their learning.
- ◆ Each course of study will contain components to encourage self-initiated learning.
  - Students take an active role in their learning by engaging in reflective inquiry.
  - Provide learning to encourage students to explore multiple approaches to problem-solving leading to more than one effective solution.

***Goal:*** *The Hudson Local School District will prepare students to understand and fulfill their responsibilities as citizens of the Republic and members of the world community.*

- ◆ Provide learning opportunities to encourage student participation in formal and informal democratic experiences.
  - The learning environment provides a climate for understanding and utilizing democratic ideals.
- ◆ Identify and promote behaviors and attitudes that support citizenship.
- ◆ Provide activities which promote an understanding and acceptance of diversity in our world.
- ◆ Provide learning experiences designed to promote the protection and enhancement of our environments.



## INTRODUCTION

---

***Goal:*** *The Hudson Local School District will prepare students to access, evaluate, and use information.*

- ◆ Insure that new and emerging technologies are incorporated into the school program.
- ◆ Provide opportunities for students to reflect on, interpret, and evaluate data for value and quality.

***Goal:*** *The Hudson Local School District will prepare students to communicate effectively, both individually and collaboratively.*

- ◆ Provide opportunities for students to integrate reading and writing activities across the curriculum.
- ◆ Provide opportunities for students to experience speaking, listening, and observing to stimulate the development of thinking skills.
- ◆ Support and enhance extracurricular interests and programs that include communication skills.
- ◆ Provide appropriate technology to enhance communication skills.
- ◆ Support teaching to the individual strengths/needs of each student.

***Goal:*** *The Hudson Local School District will prepare students to understand, integrate, and use new technology.*

### **Extracurricular**

***Goal:*** *The Hudson Local School District will develop and provide extracurricular activities that enhance the intellectual, physical, and/or social development of each participating child (Kindergarten through twelfth).*

- ◆ Offer extracurricular programs that meet student interests and encourage participation.
  - Programs are provided for interest varied students; i.e., intellectual, physical and/or social (K-12).
  - Students with varied talents are participating in offered programs.
- ◆ Develop and provide program opportunities progressing from elementary through high school.
  - Program opportunities will be developed for Pre-kindergarten through twelfth to meet needs of students.
- ◆ Offer programs which provide specific opportunities for personal growth and service.
- ◆ Develop school spirit by developing program excellence and student leadership.

***Goal:*** *In the Hudson Local School District extracurricular activities will be adequately funded by the School District and community.*

- ◆ Provide facilities, materials, dues, transportation, and insurance sufficient to run approved programs.
  - Provide adequate facilities and access to facilities to meet program demands/needs.
  - Have funding available for participation in leagues, tournaments, competitions, events.



- Provide sufficient transportation available to meet program needs.
- Provide a level of quality service (pick-up, delivery, return) that meets program and safety needs of students.
- Provide funds for insurance.
- Ensure adequate equipment/supplies for program.
- ◆ Compensate and train advisors and coaches commensurate with the requirements of their extracurricular programs.
- ◆ Develop and publicize programs which demonstrate their value to the community by attracting community partnerships.

**Goal:** *The Hudson Local School District will provide extracurricular activities in a nurturing and safe environment by attracting and valuing advisors who promote lifelong learning and strive for excellence and teamwork.*

- ◆ Provide advisors continuing in-service training.
- ◆ Provide support and supervision for individual advisors striving for excellence by providing goals.
- ◆ Raise expectations and achieve a high level of student involvement.
- ◆ Recruit, retain, and renew advisors who are committed and effective.
  - Encourage longevity of coaches/advisors.
  - Ensure advisors/coaches hired are prepared.
  - Evaluation process reflects commitment and effectiveness of the coach/advisor.

### ***Parent And Community Involvement***

**Goal:** *To promote Hudson as a learning community, the Hudson Local School District will facilitate the development of collaborative educational programs for Hudson parents and citizens.*

- ◆ Develop and incorporate into the Hudson Local School District management model programs that develop results and are derived from needs assessment.
- ◆ Develop a leadership program that trains citizens to be effective leaders within their school and/or community organization.
- ◆ Create opportunities for students, teachers, businesses, and community agencies to build partnerships that enhance student experience, provide more knowledge to future employees and consumers, and promote the business community's image.

**Goal:** *The Hudson Local School District will facilitate the maximum and efficient use of school and community facilities for the development and personal growth of citizens.*

- ◆ Develop a collaborative interactive communications and sharing model relative to facility use and development among school and community organizations.
- ◆ Identify present level of use of school and community facilities.



## INTRODUCTION

---

***Goal:*** *The Hudson Local School District will create opportunities for citizens and community involvement and participation in the decision making process to solve community needs through the development of educational and service activities or projects.*

- ◆ Develop a model for group decision-making unique to Hudson.
- ◆ Build a trust-based system for Board of Education actions flowing from the work and recommendations of committees created by the School District.
- ◆ Develop a management/funding model for Community Education and Recreation.

***Goal:*** *Hudson Local School District, parents and community will share responsibility, expect excellence, and value learning to actively prepare students for their future through support of our schools and educational programs.*

- ◆ **Parents:** Hudson Local School District, in collaboration with parents, will develop, implement, and evaluate systems of training, decision making/advocacy, and support for parents committed to the School District's vision and mission statement.
- ◆ **Community:** The School District encourages and supports collaboration within the School District, which creates positive relationships between schools and parents, and among groups, businesses, and governmental entities that impact children and youth, to assure each child has the support needed to succeed in school and the community.
- ◆ Hudson Local School District will work to protect and preserve the inclusion of volunteer programs as an integral part of the school system.
  - Parents, community, and volunteers are welcome in the school.
  - Parents, community, and volunteers are knowledgeable about, have access to and use the educational programs provided through the community and school.
  - Two way communication with the schools exists for parents, community and volunteers.
  - Parents, community, and volunteers are involved in decision-making processes.
  - Partnerships with parents, community, and volunteers result in the enhancement of student learning through mentorships, course offerings and special programs.

## Communications

***Goal:*** *The Hudson Local School District will develop a proactive, comprehensive, and consistent communications program that fosters a positive relationship and understanding between the Hudson community, parents, and the school system.*

- ◆ Produce marketing strategies for our school/community which develop unity and instill pride, trust, and confidence.
- ◆ Employ a leader experienced in managing communications.
- ◆ Develop a marketing communications budget.
- ◆ Develop communications training programs for staff, parents, students, Board of Education, and community.



- ◆ Develop a plan for effective internal/external communications.
- ◆ Create communications channels for student participation.

***Goal:*** *The Hudson Local School District will fully implement a communications program that emphasizes hard evidence concerning academic excellence and fiscal responsibility.*

- ◆ Fully implement a complete communications audit.
- ◆ Commit funds to support marketing and communications plans.
- ◆ Implement open, accurate, and clear internal communications plan.
- ◆ Implement open, accurate, and clear external communications plan.
- ◆ Implement open, accurate, and clear interpersonal communication plan.
- ◆ Promote public recognition of staff and student achievements.
- ◆ Communicate frequently to local, county, state, and federal government agencies.

The following performance indicators will be applied to individual marketing and communications plans:

#### **Qualitative**

- Community attitude and awareness
- Staff attitude and awareness
- Student attitude and awareness
- Reputation maintained
- Number of people exposed to our key messages
- Validation or change of opinions
- Positive media coverage
- Increase contact by media for updates
- Increase in teacher/administrative applications to the district
- Election results
- Number of people participating in events, dialogues, forums
- Increase business partnerships
- Increase in city and school partnerships
- Increase in invitations to be speakers, or to author op-ed pieces
- Awards, recognition of school district, students, staff
- Number of people requesting information about our schools
- Increased internal involvement on communications committees
- Increased external involvement on communications committees

#### **Quantitative**

- Check-list evaluations
- Measuring column inches in newspaper and magazines
- Grid systems for tracking programs/activities
- Percent of responses to surveys or questionnaires
- Hits on the web-site
- Enrollment increases or decrease
- Number of positive phone calls, letters, notes
- Number of people participating in events, dialogues, forums



**Goal:** *The Hudson Local School District will thoroughly evaluate, on an ongoing basis, the effectiveness of the communications process and program.*

- ◆ Provide input from students, parents, teachers, and community regarding the need for and effectiveness of communication.
- ◆ Commit funds to evaluate the communications processes and program.
- ◆ Use evaluation data and relevant research to revise the communications and marketing programs.

## **Facilities**

**Goal:** *Develop and adopt a Long Range Facilities Plan to ensure the Hudson Local School District meets current and future educational needs of students and community.*

- ◆ Determine current physical condition and use of school facilities.
  - All facilities meet program and student needs.
    - The School District will have adequate land for facilities and programs that support
      - Curricular Programs
      - Extracurricular Programs
      - Community Programs
      - Special Education and Special Needs students
    - Facilities support the program in its entirety
      - Transportation
      - Student Support Services
      - Guidance
      - Special Education Services
      - Media
      - Health Services
      - Food Service
      - Maintenance Activities
      - Administration
      - Support Organizations: VIP, PTO, PTA, Gifted, etc.
    - Professional Development Support.
    - The facilities support available technology.
    - There is adequate funding to support the maintenance of facilities.
  - There is a Long-Range Facilities Plan that is current and updated on a continuing basis.
    - There are projected needs for future facilities and programs.
    - There is a plan and timeline for implementation of the master plan.
    - There is a plan for funding the master plan.
  - The Long-Range Facilities Plan reflects the School District's strategic plan.
- ◆ Determine the suitability of current facilities for the current educational program.
- ◆ Determine the suitability of current facilities for future educational programs.
- ◆ Determine current needs for facilities.
  - All facilities meet program and student needs.





- The School District will have adequate land for facilities and programs that support:
  - Curricular Programs
  - Extracurricular Programs
  - Community Programs
  - Special Education and Special Needs students
- Facilities support the program in its entirety
  - Transportation
  - Student Support Services
  - Guidance
  - Special Education Services
  - Media
  - Health Services
  - Food Service
  - Maintenance Activities
  - Administration
  - Support Organizations: VIP, PTO, PTA, Gifted, etc.
- Professional Development Support.
- The facilities support available technology.
- There is adequate funding to support the maintenance of facilities.
- There is a Long-Range Facilities Plan that is current and updated on a continuing basis.
  - There are projected needs for future facilities and programs.
  - There is a plan and timeline for implementation of the master plan.
  - There is a plan for funding the master plan.
- The Long-Range Facilities Plan reflects the school district's strategic plan.
- ◆ Determine alternatives to satisfy current facility needs.
  - All facilities meet program and student needs.
    - The School District will have adequate land for facilities and programs that support.
      - Curricular Programs
      - Extracurricular Programs
      - Community Programs
      - Special Education and Special Needs students
    - Facilities support the program in its entirety.
      - Transportation
      - Student Support Services
      - Guidance
      - Special Education Services
      - Media
      - Health Services
      - Food Service
      - Maintenance Activities
      - Administration
      - Support Organizations: VIP, PTO, PTA, Gifted, etc.
    - Professional Development Support.
    - The facilities support available technology.
    - There is adequate funding to support the maintenance of facilities.
  - There is a Long-Range Facilities Plan that is current and updated on a continuing basis.
    - There are projected needs for future facilities and programs.



## INTRODUCTION

---

- There is a plan and timeline for Implementation of the master plan.
- There is a plan for funding the master plan.
- The Long-Range Facilities Plan reflects the School District's strategic plan.
- ◆ Determine the impact of failure to address current facility needs.
- ◆ Determine alternative methods to satisfy future needs.
- ◆ Determine the impact of failure to address future facility need
- ◆ Implement the Long-Range Facilities Plan.

**Goal:** *The Hudson Local School District will review and update the Long-Range Facilities Plan on a continuing basis.*

- ◆ Update the facility inventory and Long Range Facilities Plan annually to reflect current status.
- ◆ Determine necessary changes in facilities and/or the Long-Range Facilities Plan.
- ◆ Modify the plan as needed.



---

## ***Financial Information***

### ***Internal Accounting and Budgetary Control***

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

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for the fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates, which is usually received within three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's Official Certificate of Estimated Resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

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

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.



## INTRODUCTION

---

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by the Hudson Local School District are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

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

**General Government Functions** The following schedule represents a summary of revenues for the governmental funds, which include, general, special revenue, debt service and capital projects funds for the fiscal year ended June 30, 1999 and comparisons to the last fiscal year.

<i>Revenue</i>	<i>1998</i>	<i>1999</i>	<i>Increase or (Decrease)</i>	<i>Percent Increase or (Decrease)</i>
<i>Property &amp; Other Local Taxes</i>	<i>\$27,008,485</i>	<i>\$28,663,799</i>	<i>\$1,655,314</i>	<i>6.1</i>
<i>Intergovernmental</i>	<i>10,162,000</i>	<i>11,378,530</i>	<i>1,216,530</i>	<i>12.0</i>
<i>Interest</i>	<i>770,579</i>	<i>690,662</i>	<i>(79,917)</i>	<i>(10.4)</i>
<i>Tuition &amp; Fees</i>	<i>98,959</i>	<i>118,614</i>	<i>19,655</i>	<i>19.9</i>
<i>Extracurricular Activities</i>	<i>349,642</i>	<i>386,820</i>	<i>37,178</i>	<i>10.6</i>
<i>Food Service</i>	<i>17,173</i>	<i>11,542</i>	<i>(5,631)</i>	<i>(32.8)</i>
<i>Miscellaneous</i>	<i>346,890</i>	<i>181,153</i>	<i>(165,737)</i>	<i>(47.8)</i>
<b><i>Total Revenues</i></b>	<b><i>\$38,753,728</i></b>	<b><i>\$41,431,120</i></b>	<b><i>\$2,677,392</i></b>	<b><i>6.9</i></b>

Local property tax revenue is the major funding component of the School District, making up about 70% of total governmental funds revenue. Approximately 90% of tax revenue is utilized for general fund operations 7% for debt service fund activities and 3% for capital projects.

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

State revenue estimates are not likely to change much from the above scenario. The Ohio Supreme Court has declared the Ohio School Funding system unconstitutional. Because of these actions and the economy, future State revenues are unpredictable, but it is anticipated that the State's share of funding will not be reduced in the current biennium, which ends June 30, 2000.



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

Extracurricular Activities Revenues are comprised primarily of gate receipts and ticket sales from student events, fund raising activities and funds donated by the local student activity booster organizations. An increase in Extracurricular Activity Revenues occurred primarily due to additional fund-raising activities in the 1998-99 fiscal year.

The following schedule represents a summary of all governmental expenditures of General, Special Revenues, Debt Service, and Capital Projects Funds for the fiscal year ended June 30, 1999 and comparisons to last fiscal year.

<u>Expenditures</u>	1998	1999	Increase or (Decrease)	Percent Increase or (Decrease)
<b><u>Instruction:</u></b>				
Regular	\$17,318,944	\$19,390,124	\$2,071,180	12.0
Special	2,177,291	2,437,311	260,020	11.9
Vocational	289,980	278,362	(11,618)	(4.0)
Other	250,554	323,714	73,160	29.2
<b><u>Support Services:</u></b>				
Pupils	2,396,511	2,642,527	246,016	10.3
Instructional Staff	1,876,760	2,236,290	359,530	19.2
Board of Education	453,348	47,648	(405,700)	(89.5)
Administration	2,598,076	2,874,938	276,862	10.7
Fiscal	834,873	924,269	89,396	10.7
Business	957,208	256,249	(700,959)	(73.2)
Operation and Maintenance of Plant	3,109,815	3,415,132	305,317	9.8
Pupil Transportation	2,393,025	2,446,861	53,836	2.2
Central	115,640	195,795	80,155	69.3
Operation of Non-Instructional Services	12,077	10,596	(1,481)	(12.3)
Extracurricular Activities	744,214	847,354	103,140	13.9
Capital Outlay	461,210	1,361,209	899,999	195.1
<b><u>Debt Service:</u></b>				
Principal Retirement	1,675,000	1,888,151	213,151	12.7
Interest and Fiscal Charges	994,770	894,652	(100,118)	(10.1)
<b>TOTAL</b>	<b>\$38,659,296</b>	<b>\$42,471,182</b>	<b>\$3,811,886</b>	<b>9.9</b>

Instruction expenditures totaled \$22,429,511 and include the salaries and benefits of teachers, textbooks, classroom supplies and classroom equipment. Contracted salaries and inflationary factors contributed to the increase in fiscal 1998-99.



## INTRODUCTION

---

Support services expenditures totaled \$15,039,709 for fiscal year 1998-99. Significant increases (decreases) in support services occurred in the areas of Instructional Staff, Board of Education, Administration, Business, Operations and Maintenance of Plant, and Capital Outlay. Instructional Staff expenditures increased due to additions to staff, contracted salaries, inflation and expanded professional development activities. Board of Education expenditures declined because of substantially lower contracted services. Administration increased due to additional staffing and increased professional fees. Business expenditures declined because energy conservation projects were completed in 1998 and did not reoccur in 1999. Operation and Maintenance of Plant increased due to contracted salaries. Capital Outlay represents the School District's continued building expansion and capital maintenance programs.

**General Fund Balance** The fund balance of the general fund decreased 13.0% from \$4,560,495 at June 30, 1998 to \$3,969,036 at June 30, 1999. An 8.0% increase in expenditures was partially offset by a 7.0% increase in revenues. The School District passed an additional 5.3 mill continuing operating levy in November 1998. Revenue from six months of this levy was recognized this year. This levy will generate approximately \$3.8 million in 1999-00, the first full year of collection.

**Proprietary Fund Operations** The School District operated several enterprise activities in fiscal year 1999 including the Food Service program, Uniform School Supplies operation, Rotary and Community Education and Recreation programs. It is the Board of Education's desire to operate these programs on a self supporting basis. Therefore, profit/loss measures must be maintained. These operations are classified and accounted for as enterprise funds. In total, enterprise funds had net income of \$42,776 in fiscal year 1999 increasing retained earnings from \$487,563 at June 30 1998 to \$530,339 at June 30, 1999.

**Internal Service Fund** These operations consist of the Six District Compact, Intradistrict Fund, Self Insurance Fund and Computer Library. The internal service funds incurred a net loss of \$133,773 in fiscal year 1999. \$160,470 of this loss was centered in the self-insurance fund and occurred in order to reduce the fund balance to more closely match the actuarial total liability reserve balance. Retained earnings for internal service decreased from \$651,234 at June 30, 1998 to \$513,028 at June 30, 1999.

**Fiduciary Operations** The Special Trust, an expendable trust fund to support scholarships and curriculum improvements, generated \$32,422 in revenues during fiscal 1999. The Enoch Clark non-expendable trust fund accounts for money set aside for public school purposes. The School District accounts for student activities in an agency fund. Available assets are offset by liabilities.

**General Fixed Assets** The General Fixed Assets of the School District are used to carry on the main education and support functions of the School District and are not financial resources available for expenditure. The total general fixed assets at June 30, 1999 were \$62,695,156. These assets are accounted for at historical cost. During fiscal year 1999, the School District had its fixed assets inventoried and appraised by an outside firm. The results of which are reflected in Notes 3 and 8. Depreciation is not recognized on general fixed assets.

**Debt Administration** The Debt Service Fund accounts for the accumulation of resources for, and payment of, principal and interest on long-term debt reported in the School District's General Long-Term Obligations Account Group. For fiscal year 1999, principal retirement for loans and bonds amounted to \$1,888,351 and the unreserved undesignated fund balance decreased to \$1,049,033. At June 30, 1999 the School District had general obligation bonds outstanding of \$19,288,729. Under the Ohio Revised Code, total general obligation



bonded debt is subject to a legal limitation on both total and unvoted debt. The limitation is based on 9 percent and 0.1 percent of the total assessed value of real and personal tangible property. The School District's net indebtedness of \$16,691,621 is below the legal limit of \$65,206,554 for total debt. The legal limit for unvoted debt is \$724,517. All bonds outstanding are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment.

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

The School District's health insurance committee continually reviews the School District's coverage provided under our self-insured system. For fiscal year 1999, favorable claims experience allowed the School District to keep premium cost to a modest increase. The School District retains self-insurance reserves which are in excess of actuarial minimums.

**Cash Management** The School District maintained its active cash management program, expediting the receipt of revenues and prudently investing available cash. Total interest earned during fiscal 1999 was \$738,246. Of that total \$690,662 was credited to the General Fund. The balance was credited to other funds as directed by the Ohio Revised Code and Board of Education policy.

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

The School District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Deposits were insured by federal depository insurance or collateralized direct obligations of the Federal Government. All collateral on deposits meets minimum requirements. Investments held by the School District during the year and at June 30, 1999 are classified in the categories of lowest to middle risk as defined by the Governmental Accounting Standards Board (see Note 5 in the Notes to the General Purpose Financial Statements for further explanation of risk categories). However, as required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits, to secure the repayment of all public monies deposited in a financial institution.

### **Independent Audit**

State statutes require an annual audit by independent accountants. The Ohio Auditor of State conducted the School District's 1999 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.



## ***Other Information***

### **Awards:**

#### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hudson Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### ***ASBO Certificate of Excellence***

The School District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting Award for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. The award represents a significant achievement by Hudson Local School District and reflects the School District's commitment to the highest standards of school system financial reporting. The School District is also submitting this report to the Association of School Business Officials (ASBO) International for consideration of the Certificate of Excellence in Financial Reporting award. This award will certify that the Comprehensive Annual Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of Schools Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999, 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 a significant step in the quality of the School District's financial reporting. It is an indication of the School District's commitment to be accountable to our investors, the residents of the Hudson Local School District, and to our customers, the students.

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire staff of the Treasurer's Department. A special note of appreciation is extended to Deanna Levenger, Assistant Treasurer, whose assistance and dedication was essential to the success of the project. Additional appreciation is extended to Patty Picard, Curriculum Director, for assistance with the transmittal letter and statistics, to Paul Smith, Business Manager, for

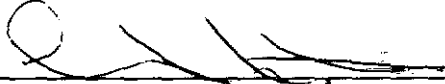


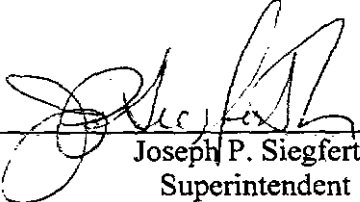


working so diligently to update the District's Fixed Asset Records and for help with statistics, to Sheryl Sheatzley for the creative layout of this report and also to Scott Varney and Tom Czech of Gary Fink & Associates, Inc., for their expert guidance and assistance.

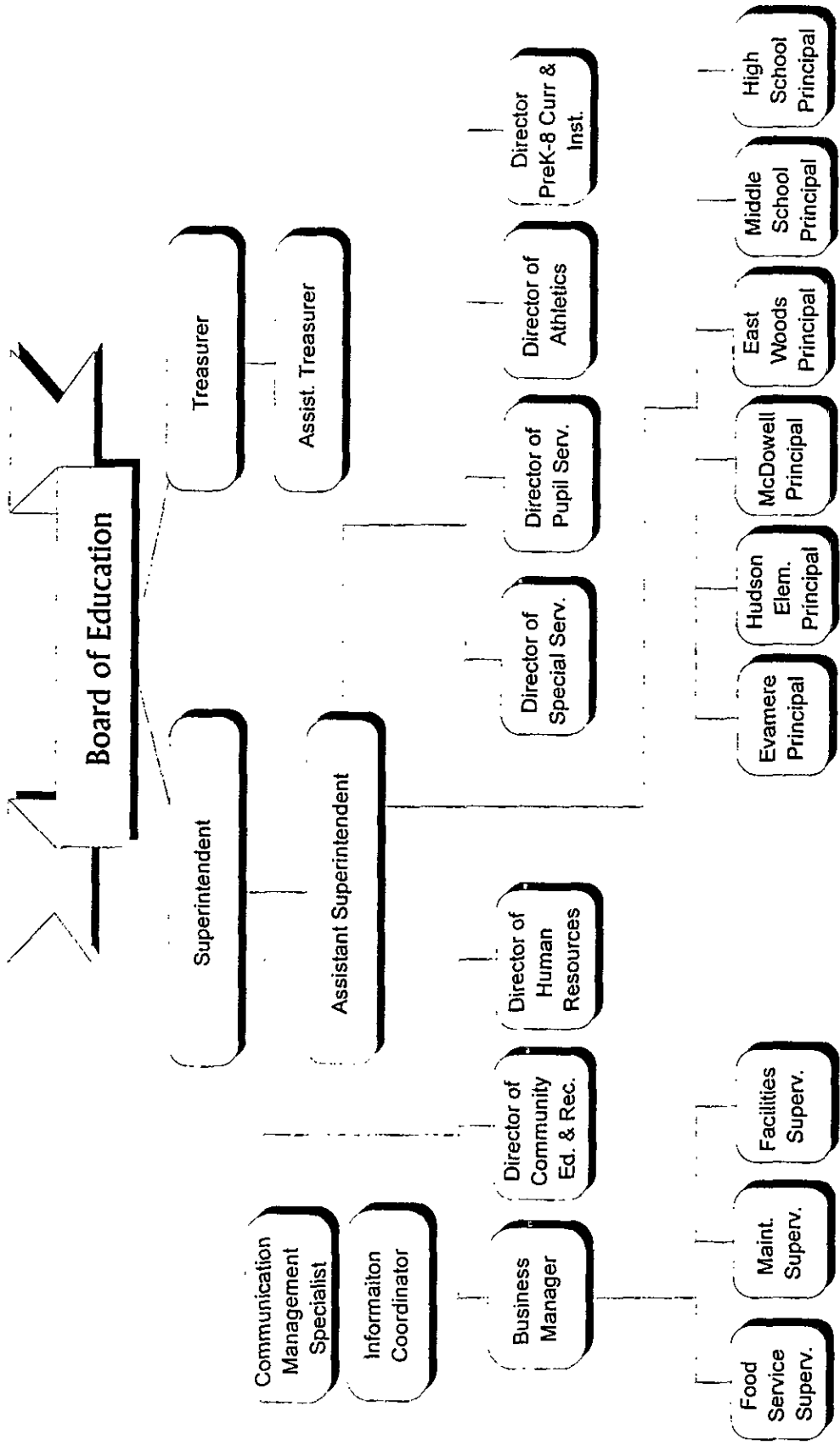
Finally, this report would not have been possible without the encouragement and support of the Board of Education of the Hudson Local School District to continue to strive for excellence.

Respectfully submitted,

  
\_\_\_\_\_  
Craig Urmston, RSBFO  
Treasurer

  
\_\_\_\_\_  
Joseph P. Sieferth  
Superintendent





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hudson Local School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
*for the Fiscal Year Ended*  
June 30, 1998

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



*Carol Brueck*  
President

*Jeffrey L. Esalt*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



XXXVI

This Certificate of Excellence in Financial Reporting is presented to

**HUDSON LOCAL SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)

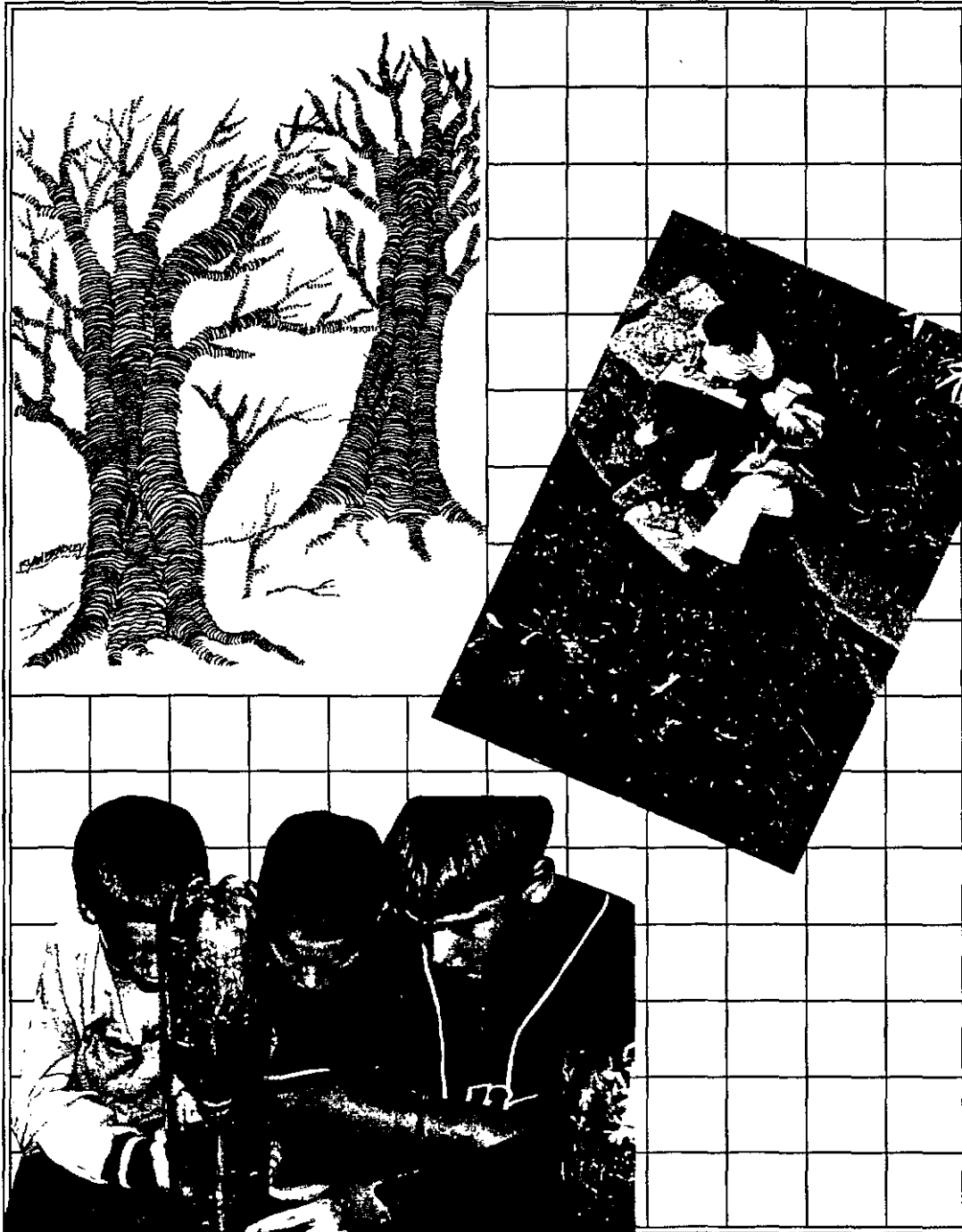
For the Fiscal Year Ended June 30, 1998

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

*Alan A. Beaulieu*  
President

*Don H. Hagen*  
Executive Director

# *Financial Section*



*F  
i  
n  
a  
n  
c  
i  
a  
l*



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 2nd Street, NW, 4th Floor  
Canton, Ohio 44702

Telephone 330-438-0617  
800-443-9272

Facsimile 330-471-0001

## REPORT OF INDEPENDENT ACCOUNTANTS

Hudson Local School District  
Summit County  
2386 Hudson-Aurora Rd.  
Hudson, Ohio 44236

To the Board of Education:

We have audited the accompanying general purpose financial statements of Hudson Local School District, Summit County, (the District) as of and for the year ended June 30, 1999, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 1999 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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

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



**Jim Petro**  
Auditor of State

December 10, 1999

GENERAL  
PURPOSE  
FINANCIAL  
STATEMENTS





Hudson Local School District  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$6,549,251	\$709,557	\$1,049,033	\$572,132
Cash and Cash Equivalents:				
Non-Expendable Trust Fund	0	0	0	0
Receivables:				
Taxes	28,291,806	0	2,360,671	976,532
Accounts	3,957	150	0	0
Intergovernmental	0	47,412	0	0
Accrued Interest	44,721	0	0	0
Interfund Receivable	95,762	0	0	0
Prepaid Items	22,068	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	2,890	0	0	0
Restricted Assets:				
Equity in Pooled Cash	466,529	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$35,476,984</b>	<b>\$757,119</b>	<b>\$3,409,704</b>	<b>\$1,548,664</b>
<b>Liabilities, Fund Equity and Other Credits</b>				
<b>Liabilities</b>				
Accounts Payable	\$284,903	\$90,362	\$0	\$320
Accrued Wages	2,870,503	96,527	0	214
Compensated Absences Payable	30,493	0	0	0
Interfund Payable	0	3,865	0	90,000
Intergovernmental Payable	586,118	9,935	0	0
Deferred Revenue	27,735,931	0	2,311,445	956,037
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>31,507,948</b>	<b>200,689</b>	<b>2,311,445</b>	<b>1,046,571</b>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	799,129	183,923	0	171,193
Reserved for Prepaid Items	22,068	0	0	0
Reserved for Debt Service	0	0	1,049,033	0
Reserved for Property Tax Advance	555,875	0	49,226	20,495
Reserved for Endowments	0	0	0	0
Reserved for Budget Stabilization	466,529	0	0	0
Unreserved:				
Designated for Budget Stabilization	21,110	0	0	0
Undesignated	2,104,325	372,507	0	310,405
<b>Total Fund Equity and Other Credits</b>	<b>3,969,036</b>	<b>556,430</b>	<b>1,098,259</b>	<b>502,093</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$35,476,984</b>	<b>\$757,119</b>	<b>\$3,409,704</b>	<b>\$1,548,664</b>

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$522,714	\$1,014,080	\$73,979	\$0	\$0	\$10,490,746
0	0	234	0	0	234
0	0	0	0	0	31,629,009
545	13,275	0	0	0	17,927
7,839	0	0	0	0	55,251
0	0	0	0	0	44,721
0	0	0	0	0	95,762
0	0	0	0	0	22,068
56,957	0	0	0	0	56,957
5,811	0	0	0	0	8,701
0	0	0	0	0	466,529
259,683	2,072	0	62,695,156	0	62,956,911
0	0	0	0	1,098,259	1,098,259
0	0	0	0	21,147,366	21,147,366
<u>\$853,549</u>	<u>\$1,029,427</u>	<u>\$74,213</u>	<u>\$62,695,156</u>	<u>\$22,245,625</u>	<u>\$128,090,441</u>
\$67,530	\$1,187	\$442	\$0	\$0	\$444,744
121,851	5,050	0	0	0	3,094,145
52,247	17,586	0	0	2,571,135	2,671,461
1,897	0	0	0	0	95,762
67,186	2,281	0	0	240,761	906,281
12,499	0	0	0	0	31,015,912
0	0	58,415	0	0	58,415
0	490,295	0	0	0	490,295
0	0	0	0	145,000	145,000
0	0	0	0	19,288,729	19,288,729
<u>323,210</u>	<u>516,399</u>	<u>58,857</u>	<u>0</u>	<u>22,245,625</u>	<u>58,210,744</u>
0	0	0	62,695,156	0	62,695,156
530,339	513,028	0	0	0	1,043,367
0	0	347	0	0	1,154,592
0	0	0	0	0	22,068
0	0	0	0	0	1,049,033
0	0	0	0	0	625,596
0	0	200	0	0	200
0	0	0	0	0	466,529
0	0	0	0	0	21,110
0	0	14,809	0	0	2,802,046
<u>530,339</u>	<u>513,028</u>	<u>15,356</u>	<u>62,695,156</u>	<u>0</u>	<u>69,879,697</u>
<u>\$853,549</u>	<u>\$1,029,427</u>	<u>\$74,213</u>	<u>\$62,695,156</u>	<u>\$22,245,625</u>	<u>\$128,090,441</u>

**Hudson Local School District  
 Combined Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 All Governmental Fund Types and Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues</b>				
Taxes	\$25,655,233	\$0	\$2,059,077	\$949,489
Intergovernmental	9,430,686	1,432,922	237,587	277,335
Interest	690,662	0	0	0
Tuition and Fees	27,772	90,842	0	0
Extracurricular Activities	0	386,820	0	0
Gifts and Donations	0	0	0	0
Food Service	0	11,542	0	0
Miscellaneous	75,539	105,614	0	0
<b>Total Revenues</b>	<b>35,879,892</b>	<b>2,027,740</b>	<b>2,296,664</b>	<b>1,226,824</b>
<b>Expenditures</b>				
<b>Current:</b>				
<i>Instruction:</i>				
Regular	18,388,031	828,367	0	173,726
Special	2,429,968	7,343	0	0
Vocational	268,529	9,833	0	0
Adult/Continuing	0	4,065	0	0
Other	319,649	0	0	0
<i>Support Services:</i>				
Pupils	2,079,950	562,577	0	0
Instructional Staff	2,111,379	117,925	0	6,986
Board of Education	47,648	0	0	0
Administration	2,770,697	104,241	0	0
Fiscal	879,546	0	30,613	14,110
Business	256,249	0	0	0
Operation and Maintenance of Plant	3,414,447	685	0	0
Pupil Transportation	2,446,861	0	0	0
Central	195,795	0	0	0
Operation of Non-Instructional Services	0	10,596	0	0
Extracurricular Activities	484,052	363,302	0	0
Capital Outlay	58,876	74,500	0	1,227,833
<i>Debt Service:</i>				
Principal Retirement	0	0	1,888,151	0
Interest and Fiscal Charges	0	0	894,652	0
<b>Total Expenditures</b>	<b>36,151,677</b>	<b>2,083,434</b>	<b>2,813,416</b>	<b>1,422,655</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(271,785)</b>	<b>(55,694)</b>	<b>(516,752)</b>	<b>(195,831)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Fixed Assets	21,257	0	0	0
Operating Transfers In	300,396	144,842	260,986	0
Operating Transfers Out	(644,217)	(67,007)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(322,564)</b>	<b>77,835</b>	<b>260,986</b>	<b>0</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(594,349)</b>	<b>22,141</b>	<b>(255,766)</b>	<b>(195,831)</b>
Fund Balances at Beginning of Year	4,560,495	534,289	1,354,025	697,924
Residual Equity Transfer In	2,890	0	0	0
<b>Fund Balances at End of Year</b>	<b>\$3,969,036</b>	<b>\$556,430</b>	<b>\$1,098,259</b>	<b>\$502,093</b>

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)
50	\$28,663,799
0	11,378,530
0	690,662
0	118,614
0	386,820
32,422	32,422
0	11,542
0	181,153
<u>32,422</u>	<u>41,463,542</u>
0	19,390,124
0	2,437,311
0	278,362
0	4,065
0	319,649
0	2,642,527
10,090	2,246,380
0	47,648
0	2,874,938
0	924,269
0	256,249
0	3,415,132
0	2,446,861
0	195,795
27,548	38,144
0	847,354
0	1,361,209
0	1,888,151
0	894,652
<u>37,638</u>	<u>42,508,820</u>
<u>(5,216)</u>	<u>(1,045,278)</u>
0	21,257
800	707,024
<u>(500)</u>	<u>(711,724)</u>
<u>300</u>	<u>16,557</u>
(4,916)	(1,028,721)
20,038	7,166,771
0	2,890
<u>\$15,122</u>	<u>\$6,140,940</u>

Hudson Local School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues</b>			
Taxes	\$25,784,160	\$25,784,160	\$0
Intergovernmental	9,430,686	9,430,686	0
Interest	743,899	743,899	0
Tuition and Fees	27,772	27,772	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Food Service	0	0	0
Miscellaneous	55,512	55,512	0
<b>Total Revenues</b>	<b>36,042,029</b>	<b>36,042,029</b>	<b>0</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	18,515,774	18,424,437	91,337
Special	2,475,890	2,424,434	51,456
Vocational	306,385	297,621	8,764
Adult/Continuing	0	0	0
Other	457,027	444,002	13,025
<b>Support Services:</b>			
Pupils	2,298,824	2,298,194	630
Instructional Staff	2,217,115	2,125,030	92,085
Board of Education	77,060	56,580	20,480
Administration	2,880,131	2,803,926	76,205
Fiscal	941,064	910,747	30,317
Business	316,607	293,332	23,275
Operation and Maintenance of Plant	3,641,978	3,586,799	55,179
Pupil Transportation	2,715,780	2,675,866	39,914
Central	219,588	202,020	17,568
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	541,551	505,384	36,167
Capital Outlay	188,000	186,246	1,754
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>37,792,774</b>	<b>37,234,618</b>	<b>558,156</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(1,750,745)</b>	<b>(1,192,589)</b>	<b>558,156</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	17,604	17,604	0
Refund of Prior Year Expenditures	20,586	20,586	0
Refund of Prior Year Receipts	(57)	(57)	0
Advances In	0	24,125	24,125
Advances Out	0	(95,762)	(95,762)
Operating Transfers In	300,396	300,396	0
Operating Transfers Out	(645,098)	(644,217)	881
<b>Total Other Financing Sources (Uses)</b>	<b>(306,569)</b>	<b>(377,325)</b>	<b>(70,756)</b>
<b>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	<b>(2,057,314)</b>	<b>(1,569,914)</b>	<b>487,400</b>
<b>Fund Balances at Beginning of Year</b>	<b>6,408,217</b>	<b>6,408,217</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>992,431</b>	<b>992,431</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$5,343,334</b>	<b>\$5,830,734</b>	<b>\$487,400</b>

See accompanying notes to the general purpose financial statements

Governmental Fund Types					
Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,060,087	\$2,060,087	\$0
1,398,381	1,398,381	0	237,587	237,587	0
0	0	0	0	0	0
90,842	90,842	0	0	0	0
387,260	387,260	0	0	0	0
0	0	0	0	0	0
11,542	11,542	0	0	0	0
105,614	105,614	0	0	0	0
1,993,639	1,993,639	0	2,297,674	2,297,674	0
1,012,781	994,038	18,743	0	0	0
9,482	7,356	2,126	0	0	0
19,940	10,071	9,869	0	0	0
7,426	4,065	3,361	0	0	0
0	0	0	0	0	0
764,740	584,585	180,155	0	0	0
205,702	130,543	75,159	0	0	0
0	0	0	0	0	0
130,844	116,595	14,249	0	0	0
0	0	0	30,613	30,613	0
0	0	0	0	0	0
685	685	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
18,084	12,908	5,176	0	0	0
479,775	363,806	115,969	0	0	0
74,500	74,500	0	0	0	0
0	0	0	1,888,151	1,888,151	0
0	0	0	897,352	897,352	0
2,723,959	2,299,152	424,807	2,816,116	2,816,116	0
(730,320)	(305,513)	424,807	(518,442)	(518,442)	0
0	0	0	0	0	0
615	615	0	2,700	2,700	0
(3,070)	(3,070)	0	0	0	0
0	3,865	3,865	0	0	0
0	(6,647)	(6,647)	0	0	0
189,552	189,552	0	260,986	260,986	0
(111,717)	(111,717)	0	0	0	0
75,380	72,598	(2,782)	263,686	263,686	0
(654,940)	(232,915)	422,025	(254,756)	(254,756)	0
494,266	494,266	0	1,303,789	1,303,789	0
182,615	182,615	0	0	0	0
\$21,941	\$443,966	\$422,025	\$1,049,033	\$1,049,033	\$0

(continued)

**Hudson Local School District  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual (Budget Basis) (Continued)  
 All Governmental Fund Types and Expendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999**

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$954,971	\$954,971	\$0
Intergovernmental	277,335	277,335	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Food Service	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>1,232,306</b>	<b>1,232,306</b>	<b>0</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	205,025	174,087	30,938
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<b>Support Services:</b>			
Pupils	0	0	0
Instructional Staff	14,523	7,522	7,001
Board of Education	0	0	0
Administration	0	0	0
Fiscal	26,200	14,110	12,090
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	1,451,718	1,398,676	53,042
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>1,697,466</b>	<b>1,594,395</b>	<b>103,071</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(465,160)</b>	<b>(362,089)</b>	<b>103,071</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Fixed Assets	0	0	0
Refund of Prior Year Expenditures	0	0	0
Refund of Prior Year Receipts	0	0	0
Advances In	0	90,000	90,000
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>
<b>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	<b>(465,160)</b>	<b>(272,089)</b>	<b>193,071</b>
<b>Fund Balances at Beginning of Year</b>	<b>401,464</b>	<b>401,464</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>271,243</b>	<b>271,243</b>	<b>0</b>
<b>Fund Balances at End of Year</b>	<b>\$207,547</b>	<b>\$400,618</b>	<b>\$193,071</b>

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$28,799,218	\$28,799,218	\$0
0	0	0	11,343,989	11,343,989	0
0	0	0	743,899	743,899	0
0	0	0	118,614	118,614	0
0	0	0	387,260	387,260	0
32,422	32,422	0	32,422	32,422	0
0	0	0	11,542	11,542	0
0	0	0	161,126	161,126	0
32,422	32,422	0	41,598,070	41,598,070	0
2,189	0	2,189	19,735,769	19,592,562	143,207
0	0	0	2,485,372	2,431,790	53,582
0	0	0	326,325	307,692	18,633
0	0	0	7,426	4,065	3,361
0	0	0	457,027	444,002	13,025
0	0	0	3,063,564	2,882,779	180,785
10,251	10,251	0	2,447,591	2,273,346	174,245
0	0	0	77,060	56,580	20,480
0	0	0	3,010,975	2,920,521	90,454
0	0	0	997,877	955,470	42,407
0	0	0	316,607	293,332	23,275
3,629	186	3,443	3,646,292	3,587,670	58,622
0	0	0	2,715,780	2,675,866	39,914
0	0	0	219,588	202,020	17,568
34,617	27,548	7,069	52,701	40,456	12,245
0	0	0	1,021,326	869,190	152,136
0	0	0	1,714,218	1,659,422	54,796
0	0	0	1,888,151	1,888,151	0
0	0	0	897,352	897,352	0
50,686	37,985	12,701	45,081,001	43,982,266	1,098,735
(18,264)	(5,563)	12,701	(3,482,931)	(2,384,196)	1,098,735
0	0	0	17,604	17,604	0
0	0	0	23,901	23,901	0
0	0	0	(3,127)	(3,127)	0
0	0	0	0	117,990	117,990
0	(500)	(500)	0	(102,909)	(102,909)
800	800	0	751,734	751,734	0
(500)	(500)	0	(757,315)	(756,434)	881
300	(200)	(500)	32,797	48,759	15,962
(17,964)	(5,763)	12,201	(3,450,134)	(2,335,437)	1,114,697
20,352	20,352	0	8,628,088	8,628,088	0
186	186	0	1,446,475	1,446,475	0
\$2,574	\$14,775	\$12,201	\$6,624,429	\$7,739,126	\$1,114,697



HUDSON  
LOCAL  
SCHOOLS



Hudson Local School District  
 Combined Statement of Revenues,  
 Expenses and Changes in Retained Earnings/Fund Balances  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<u>Operating Revenues</u>				
Tuition	\$31,497	\$0	\$0	\$31,497
Sales	151,385	0	0	151,385
Charges for Services	1,194,250	2,888,087	0	4,082,337
Interest	0	0	3	3
Other Operating Revenues	578,368	160,628	0	738,996
Total Operating Revenues	1,955,500	3,048,715	3	5,004,218
<u>Operating Expenses</u>				
Salaries	659,923	126,783	0	786,706
Fringe Benefits	174,520	19,619	0	194,139
Purchased Services	301,462	751,675	0	1,053,137
Materials and Supplies	288,734	12,026	0	300,760
Cost of Sales	610,021	0	0	610,021
Depreciation	22,131	414	0	22,545
Claims	0	2,314,832	0	2,314,832
Other Operating Expenses	697	0	0	697
Total Operating Expenses	2,057,488	3,225,349	0	5,282,837
Operating Income (Loss)	(101,988)	(176,634)	3	(278,619)
<u>Non-Operating Revenues (Expenses)</u>				
Federal Donated Commodities	45,383	0	0	45,383
Operating Grants	94,054	0	0	94,054
Interest	9,420	38,161	0	47,581
Loss on Disposal of Fixed Assets	(4,093)	0	0	(4,093)
Total Non-Operating Revenues (Expenses)	144,764	38,161	0	182,925
Income (Loss) Before Operating Transfers	42,776	(138,473)	3	(95,694)
Operating Transfers In	0	4,700	0	4,700
Net Income (Loss)	42,776	(133,773)	3	(90,994)
Retained Earnings/Fund Balance at Beginning of Year (Restated, See Note 3)	487,563	651,234	231	1,139,028
Residual Equity Transfer Out	0	(4,433)	0	(4,433)
Retained Earnings Fund Balance at End of Year	\$530,339	\$513,028	\$234	\$1,043,601

See accompanying notes to the general purpose financial statements

Hudson Local School District  
 Combined Statement of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Proprietary		
	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues</u>			
Tuition	\$31,497	\$31,497	\$0
Sales	151,385	151,385	0
Charges for Services	1,195,727	1,195,727	0
Interest	9,420	9,420	0
Other Revenues	582,930	582,930	0
Operating Grants	93,465	93,465	0
Refund of Prior Year Expense	352	352	0
<b>Total Revenues</b>	<b>2,064,776</b>	<b>2,064,776</b>	<b>0</b>
<u>Expenses</u>			
Salaries	636,668	608,760	27,908
Fringe Benefits	186,299	176,923	9,376
Purchased Services	427,437	391,433	36,004
Materials and Supplies	1,113,453	956,184	157,269
Capital Outlay	30,650	24,257	6,393
Refund of Prior Year Revenues	5,075	5,075	0
Other	2,700	1,047	1,653
<b>Total Expenses</b>	<b>2,402,282</b>	<b>2,163,679</b>	<b>238,603</b>
Excess (Deficiency) of Revenues Over (Under) Expenses	(337,506)	(98,903)	238,603
Advances In	0	1,897	1,897
Advances Out	0	0	0
Operating Transfers In	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenses, Advances and Operating Transfers	(337,506)	(97,006)	240,500
Fund Equity at Beginning of Year	280,695	280,695	0
Prior Year Encumbrances Appropriated	136,395	136,395	0
<b>Fund Equity at End of Year</b>	<b>\$79,584</b>	<b>\$320,084</b>	<b>\$240,500</b>

See accompanying notes to the general purpose financial statements

Fund Types			Nonexpendable Trust Fund		
Internal Service Funds			Nonexpendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
38,161	38,161	0	3	3	0
3,094,493	3,087,690	(6,803)	0	0	0
0	0	0	0	0	0
698	698	0	0	0	0
<u>3,133,352</u>	<u>3,126,549</u>	<u>(6,803)</u>	<u>3</u>	<u>3</u>	<u>0</u>
135,790	129,124	6,666	0	0	0
34,659	23,204	11,455	0	0	0
820,536	758,776	61,760	0	0	0
15,800	9,993	5,807	231	0	231
6,192	0	6,192	0	0	0
0	0	0	0	0	0
<u>2,141,900</u>	<u>2,132,884</u>	<u>9,016</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>3,154,877</u>	<u>3,053,981</u>	<u>100,896</u>	<u>231</u>	<u>0</u>	<u>231</u>
(21,525)	72,568	94,093	(228)	3	231
0	0	0	0	0	0
0	(16,978)	(16,978)	0	0	0
0	4,700	4,700	0	0	0
(21,525)	60,290	81,815	(228)	3	231
940,581	940,581	0	231	231	0
8,510	8,510	0	0	0	0
<u>\$927,566</u>	<u>\$1,009,381</u>	<u>\$81,815</u>	<u>\$3</u>	<u>\$234</u>	<u>\$231</u>

(continued)

Hudson Local School District  
 Combined Statement of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual (Budget Basis) (Continued)  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Totals		
	(Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$31,497	\$31,497	\$0
Sales	151,385	151,385	0
Charges for Services	1,195,727	1,195,727	0
Interest	47,584	47,584	0
Other Revenues	3,677,423	3,670,620	(6,803)
Operating Grants	93,465	93,465	0
Refund of Prior Year Expense	1,050	1,050	0
<b>Total Revenues</b>	<b>5,198,131</b>	<b>5,191,328</b>	<b>(6,803)</b>
<u>Expenses</u>			
Salaries	772,458	737,884	34,574
Fringe Benefits	220,958	200,127	20,831
Purchased Services	1,247,973	1,150,209	97,764
Materials and Supplies	1,129,484	966,177	163,307
Capital Outlay	36,842	24,257	12,585
Refund of Prior Year Revenues	5,075	5,075	0
Other	2,144,600	2,133,931	10,669
<b>Total Expenses</b>	<b>5,557,390</b>	<b>5,217,660</b>	<b>339,730</b>
Excess (Deficiency) of Revenues Over (Under) Expenses	(359,259)	(26,332)	332,927
Advances In	0	1,897	1,897
Advances Out	0	(16,978)	(16,978)
Operating Transfers In	0	4,700	4,700
Excess (Deficiency) of Revenues Over (Under) Expenses, Advances and Operating Transfers	(359,259)	(36,713)	322,546
Fund Equity at Beginning of Year	1,221,507	1,221,507	0
Prior Year Encumbrances Appropriated	144,905	144,905	0
<b>Fund Equity at End of Year</b>	<b>\$1,007,153</b>	<b>\$1,329,699</b>	<b>\$322,546</b>

See accompanying notes to the general purpose financial statements

Hudson Local School District  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,347,112	\$2,888,087	\$0	\$4,235,199
Cash Received from Tuition Payments	31,147	0	0	31,147
Cash Received from Other Operating Sources	578,265	199,603	0	777,868
Cash Payments to Suppliers for Goods and Services	(1,149,745)	(766,170)	0	(1,915,915)
Cash Payments to Employees for Services	(608,312)	(129,124)	0	(737,436)
Cash Payments for Employee Benefits	(176,923)	(21,604)	0	(198,527)
Cash Payments for Claims	0	(2,131,686)	0	(2,131,686)
Net Cash Provided by Operating Activities	21,544	39,106	0	60,650
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	93,465	0	0	93,465
Operating Transfers In	0	4,700	0	4,700
Short-Term Loans from Other Funds	1,897	0	0	1,897
Repayment of Short-Term Loans From Other Funds	0	(16,978)	0	(16,978)
Net Cash Provided by Noncapital Financing Activities	95,362	(12,278)	0	83,084
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Payments for Capital Acquisitions	(20,702)	0	0	(20,702)
Net Cash (Used for) Capital and Related Financing Activities	(20,702)	0	0	(20,702)
<u>Cash Flows from Investing Activities:</u>				
Interest on Investments	9,420	38,161	3	47,584
Net Cash Provided by Investing Activities	9,420	38,161	3	47,584
Net Increase in Cash and Cash Equivalents	105,624	64,989	3	170,616
Cash and Cash Equivalents at Beginning of Year	417,090	949,091	231	1,366,412
Cash and Cash Equivalents at End of Year	\$522,714	\$1,014,080	\$234	\$1,537,028
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss)	(\$101,988)	(\$176,634)	\$3	(\$278,619)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Depreciation	22,131	414	0	22,545
Interest on Investments	0	0	(3)	(3)
Donated Commodities Used During Year	45,383	0	0	45,383
<u>Changes in Assets and Liabilities:</u>				
(Increase) Decrease in Accounts Receivable	964	31,204	0	32,168
(Increase) Decrease in Inventory Held for Resale	(12,970)	0	0	(12,970)
(Increase) Decrease in Materials and Supplies Inventory	(222)	3,314	0	3,092
Increase (Decrease) in Accounts Payable	19,038	(6,303)	0	12,735
Increase (Decrease) in Accrued Wages	48,132	(153)	0	47,979
Increase (Decrease) in Compensated Absences Payable	3,211	(2,175)	0	1,036
Increase (Decrease) in Intergovernmental Payable	(2,135)	(1,701)	0	(3,836)
Increase (Decrease) in Claims Payable	0	191,140	0	191,140
Total Adjustments	123,532	215,740	(3)	339,269
Net Cash Provided by Operating Activities	\$21,544	\$39,106	\$0	\$60,650

See accompanying notes to the general purpose financial statements

HUDSON  
LOCAL  
SCHOOLS



**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

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

The District operates under a locally-elected five-member board of education and provides educational services as mandated by state and/or federal agencies. This Board controls the District's nine instructional/support facilities staffed by 212 noncertificated employees, 388 certificated full-time teaching personnel and 31 administrators who provide services to 5,526 students and other community members.

The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations will be included as part of the reporting entity.

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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



**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BASIS OF PRESENTATION - FUND ACCOUNTING**

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

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

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

**GOVERNMENTAL FUNDS**

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

**General Fund**

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

**Special Revenue Funds**

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Debt Service Funds

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

Capital Projects Funds

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District applies all applicable pronouncements from the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 to its proprietary operations. The following are the District's proprietary fund types:

Enterprise Funds

Enterprise funds are used to account for operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis.

FIDUCIARY FUNDS

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expendable Trust Fund

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

Nonexpendable Trust Fund

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

Agency Funds

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

ACCOUNT GROUPS

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

General Fixed Assets Account Group

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

General Long-Term Obligations Account Group

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types and agency funds. Under this basis of accounting, the District recognizes revenues in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the District considers to be sixty days after year end.

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

The District reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue. In the proprietary fund types, unused donated commodities are reported as deferred revenue.

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

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than agency funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Budgetary modifications may only be made by resolution of the Board of Education.

**Tax Budget**

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

**Estimated Resources**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 1999.

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter total object appropriations within functions must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

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

Encumbrances

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

Lapsing of Appropriations

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CASH AND INVESTMENTS**

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

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 1999.

Following Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 1999 totaled \$690,662, which includes \$216,686 in interest revenues attributable to cash balances of funds other than the General Fund but assigned to interest revenue of the General Fund.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are not considered to be cash equivalents.

**Restricted Assets**

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

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**INVENTORY**

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

**FIXED ASSETS AND DEPRECIATION**

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

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

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



**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**INTERGOVERNMENTAL REVENUES**

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

**Grants and Entitlements**

Entitlements

General Fund

State Foundation Program  
School Bus Allocation

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B  
Title VI  
Drug Free Schools  
Eisenhower Math/Science

Federal Challenge  
Vocational Education  
Preschool VI-B

Reimbursable Grants

General Fund

Driver's Education

Proprietary Funds

National School Lunch Program

Government Donated Commodities

**SHORT-TERM INTERFUND ASSETS/LIABILITIES**

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

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**COMPENSATED ABSENCES**

The District reports compensated absences and salary related payments in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences". Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method when the following criterion is met: the benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

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

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

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**FUND BALANCE RESERVES**

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

**INTERFUND TRANSACTIONS**

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

**ESTIMATES**

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

**TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS**

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

**NOTE 3 - FIXED ASSET RESTATEMENT**

During fiscal year 1999, the District retained a firm to reappraise its fixed assets. This resulted in adjustments to certain fixed asset values to properly reflect their balances at June 30, 1998. A prior period adjustment is required in the general fixed assets account group and the food service enterprise fund.

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 3 – FIXED ASSET RESTATEMENT (continued)**

The following prior period adjustment is required to properly state retained earnings at June 30, 1998:

	Enterprise
Retained Earnings at June 30, 1998	\$255,508
Restatement for Fixed Assets	<u>232,055</u>
Restated Retained Earnings at July 1, 1998	<u>\$487,563</u>

The balance in the general fixed asset account group at June 30, 1998, was increased \$2,860,509 to \$59,857,737 as a result of the fixed asset adjustment described above.

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)**

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types and Expendable Trust Fund				
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$ (594,349)	\$ 22,141	\$(255,766)	\$(195,831)	\$(4,916)
Net Adjustments for Revenue Accruals	203,195	15,089	3,710	95,482	0
Net Adjustments for Expenditure Accruals	(9,789)	(4,554)	(2,700)	(227)	(500)
Encumbrances	<u>(1,168,971)</u>	<u>(265,591)</u>	<u>0</u>	<u>(171,513)</u>	<u>(347)</u>
Budget Basis	<u>\$(1,569,914)</u>	<u>\$(232,915)</u>	<u>\$(254,756)</u>	<u>\$(272,089)</u>	<u>\$(5,763)</u>

Net Income (Loss)/Excess (Deficiency) of Revenues  
Over/(Under) Expenses, Advances and Operating Transfers  
All Proprietary Fund Types and Nonexpendable Trust Fund

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
GAAP Basis	\$ 42,776	\$(133,773)	\$ 3
Net Adjustments for Revenue Accruals	(37,684)	39,673	0
Net Adjustments for Expenditure Accruals	100,532	159,089	0
Encumbrances	<u>(202,630)</u>	<u>(4,699)</u>	<u>0</u>
Budget Basis	<u>\$(97,006)</u>	<u>\$ 60,290</u>	<u>\$ 3</u>

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 5 - DEPOSITS AND INVESTMENTS**

Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of monies held by the District into three categories.

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

*Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.*

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$(92,883) and the bank balance was \$153,498. The entire bank balance was covered by federal depository insurance.

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

Investments

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

Category	Carrying Amount			Fair Value
	1	2	3	
Overnight Repurchase Agreements	\$0	\$0	\$6,086,954	\$ 6,086,954
FHLB Bonds	0	2,982,480	0	2,982,480
FFCB Bonds	0	496,185	0	496,185
FHLMC Discount Note	0	951,929	0	951,929
FNMA Discount Note	0	495,780	0	495,780
	<u>\$0</u>	<u>\$4,926,374</u>	<u>\$6,086,954</u>	\$11,013,328
STAR Ohio				<u>37,064</u>
Total Investments				<u>\$11,050,392</u>

The net increase in the fair value of applicable investments during fiscal year 1999 per GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" is as follows:

Fair value at June 30, 1999	\$4,926,374
Proceeds of investments sold in fiscal year 1999	8,000,000
Cost of investments purchased in fiscal year 1999	(4,944,271)
Fair value at June 30, 1998	(7,934,253)
Change in fair value of investments during fiscal year 1999	<u>\$47,850</u>

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



**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 5 - DEPOSITS AND INVESTMENTS (continued)**

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$10,957,509	\$ 0
Investments:		
Repurchase Agreements	(6,086,954)	6,086,954
Federal Securities	(4,926,374)	4,926,374
STAR Ohio	<u>(37,064)</u>	<u>37,064</u>
GASB Statement No. 3	<u>\$ (92,883)</u>	<u>\$11,050,392</u>

**NOTE 6 - PROPERTY TAXES**

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

The assessed values upon which the fiscal year 1999 taxes were collected are:

	<u>1998 Second Half Valuations</u>		<u>1999 First Half Valuations</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Property:				
Commercial/Industrial	\$84,392,920	11.80%	\$83,054,890	11.46%
Residential/Agriculture	553,795,777	77.50%	565,688,580	78.08%
Public Utilities	57,800	0.10%	50,910	0.01%
Tangible Personal Property:				
Public Utilities	20,935,380	2.90%	21,325,230	2.94%
General	<u>55,260,291</u>	<u>7.70%</u>	<u>54,397,655</u>	<u>7.51%</u>
Total	<u>\$714,442,168</u>	<u>100.00%</u>	<u>\$724,517,265</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed Valuation	\$70.13		\$76.13	

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 6 - PROPERTY TAXES (continued)**

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

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

The Summit County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically advances to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 1999, is available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 and reflected in 1999 revenue was \$625,596. \$555,875 was available to the General Fund, \$20,495 was available to the Permanent Improvement Fund and \$49,226 was available to the Debt Service Fund.

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 1999 consisted of taxes, accounts, intergovernmental entitlements and grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
Special Revenue Funds	
Title II – Eisenhower Math/Science	\$18,875
Title VI	<u>28,537</u>
Total Special Revenue Funds	47,412
Enterprise Funds	
State and Federal School Breakfast and Lunch Subsidies	<u>7,839</u>
Total Intergovernmental Receivables	<u>\$55,251</u>

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 8 - FIXED ASSETS**

A summary of the proprietary funds' fixed assets at June 30, 1999 follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Furniture and Equipment	\$ 560,890	\$ 2,900
Less: Accumulated Depreciation	<u>(301,207)</u>	<u>(828)</u>
Net Fixed Assets	<u>\$ 259,683</u>	<u>\$ 2,072</u>

A summary of the changes in general fixed assets follows:

	<u>Balance 07/01/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/99</u>
Land and Improvements	\$ 2,195,626	\$ 246,551	\$ 0	\$ 2,442,177
Buildings and Improvements	42,581,039	561,732	0	43,142,771
Textbooks	2,695,709	0	34,712	2,660,997
Furniture and Equipment	<u>12,385,363</u>	<u>2,186,007</u>	<u>122,159</u>	<u>14,449,211</u>
Total	<u>\$59,857,737</u>	<u>\$2,994,290</u>	<u>\$156,871</u>	<u>\$62,695,156</u>

**NOTE 9 - RISK MANAGEMENT**

A. General Insurance

The District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. The District has a comprehensive property and casualty policy with a deductible of \$1,000 per incident. The District's vehicle liability insurance policy limit is \$2,000,000 with a \$1,000 collision deductible.

All board members, administrators and employees are covered under a school district liability policy. The limits of this coverage are \$2,000,000 per occurrence and \$5,000,000 in aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

B. Fidelity Bond

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

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 9 - RISK MANAGEMENT (continued)**

C. Workers' Compensation

The District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs.

D. Employee Health Insurance

The District has elected to provide employee medical, prescription and dental benefits through a self insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$250 family and \$125 single deductible. A third party administrator, CoreSource, Inc., located in Westerville, Ohio, reviews and processes all claims for payment. The District purchases stop-loss coverage of \$90,000 per employee and \$2,020,028 in the aggregate. The District pays into the self-insurance internal service fund \$495 family coverage per month for full-time employees. Family coverage for part-time employees costs the District from \$372.50 to \$472.50 per month based on the full-time equivalent status of each part-time employee. Individual coverage costs \$226 per month for full-time and part-time employees. The premium is paid by the fund that pays the salary for the employee, except for those grant funds whose agreements do not fund employee health insurance, and is based on historical cost information.

Dental coverage is also provided on a self-insured basis through CoreSource, Inc. Premiums for this coverage are \$27.28 monthly for family and \$11.67 monthly for single coverage for certified employees. Premiums for non-certified full-time employees are \$42.72 monthly for family coverage and \$17.08 monthly for single coverage. Premiums for non-certified part-time employees working 25 to 26 hours weekly are \$29.90 monthly for family coverage and \$17.08 monthly for single coverage. Premiums for part-time employees working 27 to 34 hours weekly are \$32.04 for family coverage and \$17.08 monthly for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

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

**HUDSON LOCAL SCHOOL DISTRICT  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 1999**

**NOTE 9 - RISK MANAGEMENT (continued)**

The claims liability of \$490,295 reported in the fund at June 30, 1999, is based on the requirements of GASB Statement No. 30 "Risk Financing Omnibus" which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims to be reported. The costs are to be based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends, and any other factors that would modify past experience. The claims liability is based on an estimate supplied by the District's third party administrator.

A summary of the fund's claims liability in fiscal years 1998 and 1999 were as follows:

	<u>Balance Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
1998	\$427,881	\$1,788,202	\$1,916,928	\$299,155
1999	299,155	3,079,227	2,888,087	490,295

**NOTE 10 - LONG-TERM DEBT OBLIGATIONS**

Changes in long-term obligations of the District from July 1, 1998 through June 30, 1999, were as follows:

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

<u>Issue</u>	<u>Balance 07/01/98</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance 06/30/99</u>
General Obligation Bonds:				
Natorium				
6.00%; 10/78 - 12/99	\$90,000	\$0	\$45,000	\$45,000
High School Building				
7.10%; 04/93 - 12/14	19,419,880	0	1,675,000	17,744,880
Energy Conservation Bonds				
5.20%; 04/97 - 12/07	<u>1,627,000</u>	<u>0</u>	<u>128,151</u>	<u>1,498,849</u>
Total General Obligation Bonds	21,136,880	0	1,848,151	19,288,729
Energy Conservation Loan				
6.25%; 09/91 - 09/01	185,000	0	40,000	145,000
Compensated Absences Payable	2,418,093	153,042	0	2,571,135

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 10 - LONG-TERM DEBT OBLIGATIONS (continued)**

<u>Issue</u>	<u>Balance 07/01/98</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance 06/30/99</u>
Intergovernmental Payable	<u>254,568</u>	<u>3,053</u>	<u>16,860</u>	<u>240,761</u>
Total General Long-Term Obligations	<u>\$23,994,541</u>	<u>\$ 156,095</u>	<u>\$1,905,011</u>	<u>\$22,245,625</u>

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

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 1999, \$24,145,000 of bonds outstanding are considered defeased.

Principal and interest requirements to retire general obligation bonds and the energy conservation loan outstanding at June 30, 1999, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Natatorium</u>	<u>High School Building</u>	<u>Energy Conservation Bonds</u>	<u>Energy Conservation Loan</u>	<u>Total</u>
2000	\$ 46,350	\$ 2,477,615	\$ 209,249	\$ 54,063	\$ 2,787,277
2001	0	2,458,825	209,068	56,250	2,724,143
2002	0	2,419,785	208,876	53,125	2,681,786
2003	0	2,419,845	208,674	0	2,628,519
2004	0	2,477,720	208,462	0	2,686,182
Thereafter	<u>0</u>	<u>25,436,180</u>	<u>831,497</u>	<u>0</u>	<u>26,267,677</u>
Total	<u>46,350</u>	<u>37,689,970</u>	<u>1,875,826</u>	<u>163,438</u>	<u>39,775,584</u>
Less Interest	<u>1,350</u>	<u>19,945,090</u>	<u>376,977</u>	<u>18,438</u>	<u>20,341,855</u>
Principal	<u>\$45,000</u>	<u>\$17,744,880</u>	<u>\$1,498,849</u>	<u>\$145,000</u>	<u>\$19,433,729</u>

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 11 - INTERFUND TRANSACTIONS**

A. Interfund Receivables/Payables

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$95,762	
Special Revenue Fund:		
Federal Challenge Grant Fund		\$ 3,865
Capital Projects Fund:		
Permanent Improvement		90,000
Enterprise Fund:		
Rotary	_____	<u>1,897</u>
 Total	 <u>\$95,762</u>	 <u>\$95,762</u>

B. Residual Equity Transfers

The District reorganized the operations of the Six District Compact. Computer supplies inventory was transferred to the General Fund and a fixed asset (computer) was transferred to the General Fixed Asset Account Group as of July, 1998.

**NOTE 12 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains four enterprise funds; Food Service, Uniform School Supplies, Rotary and Community Education which are operated on a sales basis. The table below reflects the more significant financial data relating to the enterprise fund of the District for the fiscal year ended June 30, 1999:

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Community Education</u>	<u>Total</u>
Operating revenues	\$1,194,250	\$151,385	\$ 63,370	\$546,495	\$1,955,500
Operating expenses before depreciation	1,239,051	137,158	131,660	527,488	2,035,357
Depreciation expense	18,509	0	3,318	304	22,131
Operating income/(loss)	(63,310)	14,227	(71,608)	18,703	(101,988)
Federal donated commodities	45,383	0	0	0	45,383
Operating grants	53,204	0	40,850	0	94,054
Interest	9,420	0	0	0	9,420
(Loss) on disposal of fixed assets	0	0	(3,879)	(214)	(4,093)
Net income/(loss)	44,697	14,227	(34,637)	18,489	42,776
Net working capital	143,023	85,469	27,459	14,705	270,656
Total assets	550,145	105,881	59,200	138,323	853,549
Total equity	395,984	85,469	32,893	15,993	530,339
Encumbrances at June 30, 1999	\$ 55,091	\$ 38,168	\$ 6,585	\$102,786	\$ 202,630

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 13 - RETIREMENT PLANS**

A. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$1,171,941, \$1,820,017, and \$1,928,238, respectively; 83.9 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$440,089 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

B. School Employees Retirement System

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



**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 13 - RETIREMENT PLANS (continued)**

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 9.02 percent was the portion to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998 and 1997 were \$388,460, \$390,641, and \$363,186, respectively; 35.8 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$435,599 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and general long-term debt account group.

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1997, the Board allocated employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. Through June 30, 1998, this allocation was increased to 3.5 percent. Beginning July 1, 1998, this allocation was increased to 8 percent. For the District, this amount equaled \$1,562,405, during fiscal 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million statewide at June 30, 1998 (latest information available). For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients statewide.

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 14 - POSTEMPLOYMENT BENEFITS (continued)**

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll, an increase from 3.5 percent for fiscal year 1997 and 4.21 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 (latest information available), were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998 SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants statewide currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$290,300 during the 1999 fiscal year.

**NOTE 15 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 120 days and adding to that one day for every eight days of the next 240 days accumulated, to a maximum of 60 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

**HUDSON LOCAL SCHOOL DISTRICT  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 16 - LEASES**

The District leases office equipment under noncancellable operating leases and copy cost containment agreements. Total costs for such leases/agreements were \$130,462 for the fiscal year ended June 30, 1999. The future minimum lease payments for these leases/agreements are as follows:

Year Ended June 30,	Amount
2000	\$127,798
2001	110,423
2002	<u>84,476</u>
Total	<u>\$322,697</u>

**NOTE 17 - COMPLIANCE AND ACCOUNTABILITY**

**Deficit Fund Balances**

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

<u>Fund</u>	<u>Deficit</u>
Special Revenue Fund EHA Preschool Grant	 \$803

**NOTE 18 - JOINTLY GOVERNED ORGANIZATION**

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

**HUDSON LOCAL SCHOOL DISTRICT  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**NOTE 19 - CONTINGENCIES**

Grants

The District received financial assistance from Federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

Litigation

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

**NOTE 20 - STATE SCHOOL FUNDING**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this District. During the fiscal year ended June 30, 1999, the District received \$6,647,513 of school foundation support in total, with the entire amount reported in the general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**HUDSON LOCAL SCHOOL DISTRICT**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 1999**

**NOTE 21 - YEAR 2000 ISSUE**

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the District's operations.

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll, employee benefits, educational statistics reporting [through the State's Education Management and Information System (EMIS)] and the energy management system.

The financial reporting, payroll and employee benefits system has been validated and tested.

The District tested, validated and remediated its energy management, heating and air conditioning systems. The facility management system computers were tested and validated.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems and is responsible for any costs associated with this project.

Summit County collects property taxes for distribution to the District. Summit County is responsible for remediating its tax collection system, and are solely responsible for any costs associated with this project.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

**NOTE 22 - REQUIRED BUDGET SET-ASIDES**

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

**HUDSON LOCAL SCHOOL DISTRICT  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 JUNE 30, 1999**

**NOTE 22 – REQUIRED BUDGET SET-ASIDES (continued)**

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

	<u>Budget Stabilization Set Aside</u>	<u>Textbook/ Instructional Set Aside</u>	<u>Capital Improvements Set Aside</u>	<u>Totals</u>
Set Aside Cash Balance as of June 30, 1998	\$187,243	\$ 0	\$ 0	\$ 187,243
Current Year Set Aside Requirement	279,286	558,571	558,571	1,396,428
Qualifying Disbursements	0	1,104,405	0	1,104,405
Current Year Offsets	<u>0</u>	<u>81,593</u>	<u>1,064,386</u>	<u>1,145,979</u>
Total	<u>466,529</u>	<u>(627,427)</u>	<u>(505,815)</u>	<u>(666,713)</u>
Cash Balance Carried Forward to Fiscal Year 2000	<u>\$466,529</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>466,529</u>
Amount Restricted for Budget Stabilization				<u>466,529</u>
Total Restricted Assets				<u>\$ 466,529</u>

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

The general fund balance includes \$21,000 in excess of the minimum requirement that has been designated for budget stabilization that is available in future years.

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

COMBINING  
INDIVIDUAL FUND &  
ACCOUNT GROUP,  
FINANCIAL  
STATEMENTS &  
SCHEDULES



### General Fund

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



Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$25,784,160	\$25,784,160	\$0
Intergovernmental	9,430,686	9,430,686	0
Interest	743,899	743,899	0
Tuition and Fees	27,772	27,772	0
Miscellaneous	55,512	55,512	0
Total Revenues	36,042,029	36,042,029	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	13,501,661	13,501,659	2
Fringe Benefits	3,466,078	3,422,034	44,044
Purchased Services	224,091	215,041	9,050
Materials and Supplies	612,492	580,506	31,986
Capital Outlay - New	704,461	704,456	5
Capital Outlay - Replacement	6,991	741	6,250
Total Regular	18,515,774	18,424,437	91,337
Special:			
Salaries and Wages	1,958,681	1,954,120	4,561
Fringe Benefits	494,432	447,968	46,464
Purchased Services	4,814	4,424	390
Materials and Supplies	12,184	12,184	0
Capital Outlay - New	5,779	5,738	41
Total Special	2,475,890	2,424,434	51,456
Vocational:			
Salaries and Wages	215,623	215,192	431
Fringe Benefits	58,204	56,276	1,928
Purchased Services	23,538	20,937	2,601
Materials and Supplies	8,891	5,216	3,675
Capital Outlay - New	129	0	129
Total Vocational	306,385	297,621	8,764
Other:			
Purchased Services	323,288	322,700	588
Materials and Supplies	31,300	27,228	4,072
Capital Outlay - New	102,439	94,074	8,365
Total Other	457,027	444,002	13,025
Total Instruction	21,755,076	21,590,494	164,582

(continued)

Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (Continued)  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	1,390,537	1,390,512	25
Fringe Benefits	396,111	396,094	17
Purchased Services	452,760	452,618	142
Materials and Supplies	45,449	45,333	116
Capital Outlay - New	12,967	12,638	329
Capital Outlay - Replacement	1,000	999	1
Total Pupils	<u>2,298,824</u>	<u>2,298,194</u>	<u>630</u>
Instructional Staff:			
Salaries and Wages	1,454,967	1,422,903	32,064
Fringe Benefits	427,278	387,753	39,525
Purchased Services	94,080	85,117	8,963
Materials and Supplies	163,655	156,591	7,064
Capital Outlay - New	61,606	59,501	2,105
Other	15,529	13,165	2,364
Total Instructional Staff	<u>2,217,115</u>	<u>2,125,030</u>	<u>92,085</u>
Board of Education:			
Salaries and Wages	12,640	12,640	0
Fringe Benefits	2,075	1,551	524
Purchased Services	51,082	31,351	19,731
Materials and Supplies	2,283	2,058	225
Other	8,980	8,980	0
Total Board of Education	<u>77,060</u>	<u>56,580</u>	<u>20,480</u>
Administration:			
Salaries and Wages	1,807,472	1,807,472	0
Fringe Benefits	472,309	472,309	0
Purchased Services	350,874	281,967	68,907
Materials and Supplies	25,669	19,169	6,500
Capital Outlay - New	7,630	6,952	678
Capital Outlay - Replacement	1,000	976	24
Other	215,177	215,081	96
Total Administration	<u>2,880,131</u>	<u>2,803,926</u>	<u>76,205</u>
Fiscal:			
Salaries and Wages	280,124	270,157	9,967
Fringe Benefits	88,675	87,622	1,053
Purchased Services	52,054	40,879	11,175
Materials and Supplies	19,836	17,425	2,411
Capital Outlay - New	9,300	8,629	671
Capital Outlay - Replacement	5,000	0	5,000
Other	486,075	486,035	40
Total Fiscal	<u>941,064</u>	<u>910,747</u>	<u>30,317</u>

(continued)

**Hudson Local School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**General Fund (Continued)**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Business:</b>			
Salaries and Wages	165,806	150,833	14,973
Fringe Benefits	42,424	42,400	24
Purchased Services	76,289	70,255	6,034
Materials and Supplies	6,503	4,542	1,961
Capital Outlay - New	1,200	968	232
Other	24,385	24,334	51
<b>Total Business</b>	<b>316,607</b>	<b>293,332</b>	<b>23,275</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	1,418,098	1,418,098	0
Fringe Benefits	474,773	474,766	7
Purchased Services	1,073,858	1,032,945	40,913
Materials and Supplies	330,338	325,687	4,651
Capital Outlay - New	246,481	238,609	7,872
Capital Outlay - Replacement	93,890	92,340	1,550
Other	4,540	4,354	186
<b>Total Operation and Maintenance of Plant</b>	<b>3,641,978</b>	<b>3,586,799</b>	<b>55,179</b>
<b>Pupil Transportation:</b>			
Fringe Benefits	1,342	0	1,342
Purchased Services	2,271,875	2,240,385	31,490
Materials and Supplies	192,563	185,481	7,082
Capital Outlay - New	250,000	250,000	0
<b>Total Pupil Transportation</b>	<b>2,715,780</b>	<b>2,675,866</b>	<b>39,914</b>
<b>Central:</b>			
Salaries and Wages	98,802	98,774	28
Fringe Benefits	30,616	30,608	8
Purchased Services	52,506	50,898	1,608
Materials and Supplies	4,121	3,647	474
Capital Outlay - Replacement	33,543	18,093	15,450
<b>Total Central</b>	<b>219,588</b>	<b>202,020</b>	<b>17,568</b>
<b>Total Support Services</b>	<b>15,308,147</b>	<b>14,952,494</b>	<b>355,653</b>
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities:</b>			
Salaries and Wages	53,661	53,651	10
Fringe Benefits	6,921	1,608	5,313
<b>Total Academic and Subject Oriented Activities</b>	<b>60,582</b>	<b>55,259</b>	<b>5,323</b>
<b>Sports Oriented Activities:</b>			
Salaries and Wages	393,750	393,127	623
Fringe Benefits	39,139	19,177	19,962
Purchased Services	14,441	12,614	1,827
<b>Total Sports Oriented Activities</b>	<b>447,330</b>	<b>424,918</b>	<b>22,412</b>

(continued)

**Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund (Continued)  
For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
School and Public Service			
Co-Curricular Activities:			
Salaries and Wages	32,852	24,424	8,428
Fringe Benefits	787	783	4
Total School and Public Service Co-Curricular Activities	33,639	25,207	8,432
Total Extracurricular Activities	541,551	505,384	36,167
Capital Outlay:			
Building Improvement Services:			
Capital Outlay - New	188,000	186,246	1,754
Total Building Improvement Services	188,000	186,246	1,754
Total Capital Outlay	188,000	186,246	1,754
Total Expenditures	37,792,774	37,234,618	558,156
(Deficiency) of Revenues (Under) Expenditures	(1,750,745)	(1,192,589)	558,156
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	17,604	17,604	0
Refund of Prior Year Expenditures	20,586	20,586	0
Refund of Prior Year Receipts	(57)	(57)	0
Advances In	0	24,125	24,125
Advances Out	0	(95,762)	(95,762)
Operating Transfers In	300,396	300,396	0
Operating Transfers Out	(645,098)	(644,217)	881
Total Other Financing Sources (Uses)	(306,569)	(377,325)	(70,756)
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(2,057,314)	(1,569,914)	487,400
Fund Balance at Beginning of Year	6,408,217	6,408,217	0
Prior Year Encumbrances Appropriated	992,431	992,431	0
Fund Balance at End of Year	<u>\$5,343,334</u>	<u>\$5,830,734</u>	<u>\$487,400</u>

## Special Revenue Funds

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

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

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

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

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

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

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

Textbooks/Instructional Material Subsidy - This fund accounts for State monies which are used for textbooks, instructional software, instructional materials and any other materials the District deems to be helpful in providing appropriate instruction to students in reading, writing, mathematics, science and citizenship.

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

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

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

Special Revenue Funds (continued)

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

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

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

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

Miscellaneous Federal Grants - This fund accounts for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

**Hudson Local School District  
Combining Balance Sheet  
All Special Revenue Funds  
June 30, 1999**

	Public School Support	Athletic and Music Fund	Auxiliary Services
<b>Assets</b>			
Equity in Pooled Cash and Investments	\$168,371	\$147,620	\$233,329
Receivables:			
Accounts	0	150	0
Intergovernmental	0	0	0
Total Assets	<u>\$168,371</u>	<u>\$147,770</u>	<u>\$233,329</u>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts Payable	\$10,591	\$11,461	\$63,845
Accrued Wages	0	0	27,800
Interfund Payable	0	0	0
Intergovernmental Payable	0	20	5,161
Total Liabilities	<u>10,591</u>	<u>11,481</u>	<u>96,806</u>
<b>Fund Equity</b>			
Fund Balance:			
Reserved for Encumbrances	14,437	8,289	155,309
Unreserved:			
Undesignated	143,343	128,000	(18,786)
Total Fund Equity	<u>157,780</u>	<u>136,289</u>	<u>136,523</u>
Total Liabilities and Fund Equity	<u>\$168,371</u>	<u>\$147,770</u>	<u>\$233,329</u>

Pupils Program	Teacher Development	Management Information Systems	Textbooks/ Instructional Material Subsidy	Other State Grants
\$350	\$30,277	\$19,015	\$0	\$5,217
0	0	0	0	0
0	0	0	0	0
<u>\$350</u>	<u>\$30,277</u>	<u>\$19,015</u>	<u>\$0</u>	<u>\$5,217</u>
\$0	\$964	\$0	\$0	\$24
0	19,848	0	0	0
0	0	0	0	0
0	114	0	0	0
0	20,926	0	0	24
0	4,673	0	0	426
350	4,678	19,015	0	4,767
350	9,351	19,015	0	5,193
<u>\$350</u>	<u>\$30,277</u>	<u>\$19,015</u>	<u>\$0</u>	<u>\$5,217</u>

(continued)



**Hudson Local School District  
Combining Balance Sheet  
All Special Revenue Funds (Continued)  
June 30, 1999**

	Economic Security Act	Title VI-B	Vocational Education
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$14,418	\$40,670	\$9,939
Receivables:			
Accounts	0	0	0
Intergovernmental	18,875	0	0
Total Assets	<u>\$33,293</u>	<u>\$40,670</u>	<u>\$9,939</u>
<u>Liabilities and Fund Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$0	\$60	\$0
Accrued Wages	894	29,183	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	4,375	0
Total Liabilities	<u>894</u>	<u>33,618</u>	<u>0</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	0	114	0
Unreserved:			
Undesignated	32,399	6,938	9,939
Total Fund Equity	<u>32,399</u>	<u>7,052</u>	<u>9,939</u>
Total Liabilities and Fund Equity	<u>\$33,293</u>	<u>\$40,670</u>	<u>\$9,939</u>

Title VI	Drug Free Grant	EHA Preschool Grant	Miscellaneous Federal Grants	Totals
\$20,940	\$10,172	\$2,251	\$6,988	\$709,557
0	0	0	0	150
28,537	0	0	0	47,412
<u>\$49,477</u>	<u>\$10,172</u>	<u>\$2,251</u>	<u>\$6,988</u>	<u>\$757,119</u>
\$0	\$3,327	\$0	\$90	\$90,362
15,786	0	3,016	0	96,527
0	0	0	3,865	3,865
89	0	38	138	9,935
<u>15,875</u>	<u>3,327</u>	<u>3,054</u>	<u>4,093</u>	<u>200,689</u>
0	545	0	130	183,923
33,602	6,300	(803)	2,765	372,507
33,602	6,845	(803)	2,895	556,430
<u>\$49,477</u>	<u>\$10,172</u>	<u>\$2,251</u>	<u>\$6,988</u>	<u>\$757,119</u>

**Hudson Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Special Revenue Funds  
For the Fiscal Year Ended June 30, 1999**

	Public School Support	Athletic and Music Fund	Auxiliary Services
<u>Revenues</u>			
Intergovernmental	\$0	\$0	\$968,233
Tuition and Fees	90,842	0	0
Extracurricular Activities	132,291	254,529	0
Food Service	11,542	0	0
Miscellaneous	57,654	47,960	0
<b>Total Revenues</b>	<b>292,329</b>	<b>302,489</b>	<b>968,233</b>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	53,593	0	692,955
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupils	241,881	0	110,317
Instructional Staff	0	0	0
Administration	0	0	86,540
Operation and Maintenance of Plant	0	0	685
Operation of Non-Instructional Services	9,788	0	0
Extracurricular Activities	0	363,302	0
Capital Outlay	0	0	74,500
<b>Total Expenditures</b>	<b>305,262</b>	<b>363,302</b>	<b>964,997</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,933)	(60,813)	3,236
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	500	67,017	77,325
Operating Transfers Out	0	(800)	(66,207)
<b>Total Other Financing Sources (Uses)</b>	<b>500</b>	<b>66,217</b>	<b>11,118</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(12,433)	5,404	14,354
Fund Balances (Deficit) at Beginning of Year	170,213	130,885	122,169
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$157,780</b>	<b>\$136,289</b>	<b>\$136,523</b>

<u>Pupils Program</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Textbooks/ Instructional Material Subsidy</u>	<u>Other State Grants</u>	<u>Economic Security Act</u>
\$0	\$38,841	\$15,319	\$81,819	\$2,000	\$18,875
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>38,841</u>	<u>15,319</u>	<u>81,819</u>	<u>2,000</u>	<u>18,875</u>
0	0	0	81,819	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	22,962	0	0	3,095	7,359
0	0	17,701	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>22,962</u>	<u>17,701</u>	<u>81,819</u>	<u>3,095</u>	<u>7,359</u>
<u>0</u>	<u>15,879</u>	<u>(2,382)</u>	<u>0</u>	<u>(1,095)</u>	<u>11,516</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	15,879	(2,382)	0	(1,095)	11,516
350	(6,528)	21,397	0	6,288	20,883
<u>\$350</u>	<u>\$9,351</u>	<u>\$19,015</u>	<u>\$0</u>	<u>\$5,193</u>	<u>\$32,399</u>

(continued)

**Hudson Local School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds (Continued)**  
**For the Fiscal Year Ended June 30, 1999**

	Title VI-B	Vocational Education	Title VI
<u>Revenues</u>			
<i>Intergovernmental</i>	\$217,869	\$485	\$28,537
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Food Service	0	0	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>217,869</b>	<b>485</b>	<b>28,537</b>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	0	0	0
Special	7,343	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupils	193,195	0	0
Instructional Staff	32,255	0	16,343
Administration	0	0	0
Operation and Maintenance of Plant	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<b>232,793</b>	<b>0</b>	<b>16,343</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,924)	485	12,194
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,924)	485	12,194
Fund Balances (Deficit) at Beginning of Year	21,976	9,454	21,408
Fund Balances (Deficit) at End of Year	<u>\$7,052</u>	<u>\$9,939</u>	<u>\$33,602</u>

Drug Free Grant	EHA Preschool Grant	Miscellaneous Federal Grants	Totals
\$10,106	\$22,815	\$28,023	\$1,432,922
0	0	0	90,842
0	0	0	386,820
0	0	0	11,542
0	0	0	105,614
10,106	22,815	28,023	2,027,740
0	0	0	828,367
0	0	0	7,343
0	0	9,833	9,833
0	0	4,065	4,065
13,342	0	3,842	562,577
0	23,223	12,688	117,925
0	0	0	104,241
0	0	0	685
0	0	808	10,596
0	0	0	363,302
0	0	0	74,500
13,342	23,223	31,236	2,083,434
(3,236)	(408)	(3,213)	(55,694)
0	0	0	144,842
0	0	0	(67,007)
0	0	0	77,835
(3,236)	(408)	(3,213)	22,141
10,081	(395)	6,108	534,289
\$6,845	(\$803)	\$2,895	\$556,430

**Hudson Local School District**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual (Budget Basis)**  
**Public School Support**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition and Fees	\$90,842	\$90,842	\$0
Extracurricular Activities	132,291	132,291	0
Food Service	11,542	11,542	0
Miscellaneous	57,654	57,654	0
Total Revenues	292,329	292,329	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	511	309	202
Materials and Supplies	52,944	50,858	2,086
Capital Outlay - New	2,621	2,620	1
Total Instruction	56,076	53,787	2,289
Support Services:			
Pupils:			
Purchased Services	173,043	39,608	133,435
Materials and Supplies	170,997	167,225	3,772
Capital Outlay - New	54,899	54,115	784
Other	1,000	0	1,000
Total Support Services	399,939	260,948	138,991
Operation of Non-Instructional Services:			
Food Service Operations:			
Materials and Supplies	13,769	11,547	2,222
Total Operation of Non-Instructional Services	13,769	11,547	2,222
Total Expenditures	469,784	326,282	143,502
(Deficiency) of Revenues Over Expenditures	(177,455)	(33,953)	143,502
<u>Other Financing Sources</u>			
Operating Transfers In	500	500	0
Total Other Financing Sources	500	500	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(176,955)	(33,453)	143,502
Fund Balance at Beginning of Year	144,206	144,206	0
Prior Year Encumbrances Appropriated	32,749	32,749	0
Fund Balance at End of Year	\$0	\$143,502	\$143,502

Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Athletic and Music Fund  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Extracurricular Activities	\$254,969	\$254,969	\$0
Miscellaneous	47,960	47,960	0
<b>Total Revenues</b>	<b>302,929</b>	<b>302,929</b>	<b>0</b>
<b>Expenditures</b>			
<b>Current:</b>			
Operation of Non-Instructional Services:			
Food Service Operations:			
Purchased Services	57	0	57
Capital Outlay - New	643	643	0
<b>Total Operation of Non-Instructional Services</b>	<b>700</b>	<b>643</b>	<b>57</b>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	32,193	21,853	10,340
Materials and Supplies	61,308	49,472	11,836
Capital Outlay - New	5,348	3,513	1,835
Other	85	85	0
<b>Total Academic and Subject Oriented Activities</b>	<b>98,934</b>	<b>74,923</b>	<b>24,011</b>
Occupational Oriented Activities:			
Purchased Services	2,000	1,730	270
<b>Total Occupational Oriented Activities</b>	<b>2,000</b>	<b>1,730</b>	<b>270</b>
Sports Oriented Activities:			
Salaries and Wages	24,417	24,411	6
Fringe Benefits	2,173	2,166	7
Purchased Services	59,610	51,449	8,161
Materials and Supplies	153,730	106,459	47,271
Capital Outlay - New	26,805	24,629	2,176
Other	35,857	23,137	12,720
<b>Total Sports Oriented Activities</b>	<b>302,592</b>	<b>232,251</b>	<b>70,341</b>
School and Public Service Co-Curricular Activities			
Purchased Services	69,774	52,377	17,397
Materials and Supplies	4,754	804	3,950
Capital Outlay - New	1,721	1,721	0
<b>Total School and Public Service Co-Curricular Activities</b>	<b>76,249</b>	<b>54,902</b>	<b>21,347</b>
<b>Total Extracurricular Activities</b>	<b>479,775</b>	<b>363,806</b>	<b>115,969</b>
<b>Total Expenditures</b>	<b>480,475</b>	<b>364,449</b>	<b>116,026</b>
<i>(Deficiency) of Revenues (Under) Expenditures</i>	<i>(177,546)</i>	<i>(61,520)</i>	<i>116,026</i> <i>(continued)</i>



Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Athletic and Music Fund (Continued)  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	67,017	67,017	0
Operating Transfers Out	(800)	(800)	0
Total Other Financing Sources (Uses)	<u>66,217</u>	<u>66,217</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(111,329)	4,697	116,026
Fund Balance at Beginning of Year	105,661	105,661	0
Prior Year Encumbrances Appropriated	<u>25,957</u>	<u>25,957</u>	<u>0</u>
Fund Balance at End of Year	<u>\$20,289</u>	<u>\$136,315</u>	<u>\$116,026</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Auxiliary Services  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$968,233	\$968,233	\$0
Total Revenues	968,233	968,233	0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	61,878	61,878	0
Fringe Benefits	17,157	17,157	0
Purchased Services	378,434	377,669	765
Materials and Supplies	257,101	245,271	11,830
Capital Outlay - New	158,012	156,457	1,555
Total Instruction	872,582	858,432	14,150
Support Services:			
Pupils:			
Salaries and Wages	101,127	101,127	0
Fringe Benefits	22,724	22,724	0
Purchased Services	130	130	0
Materials and Supplies	3,576	3,576	0
Total Pupils	127,557	127,557	0
Administration:			
Salaries and Wages	48,118	48,118	0
Fringe Benefits	19,878	19,878	0
Purchased Services	6,164	6,164	0
Materials and Supplies	850	850	0
Other	23,909	23,884	25
Total Administration	98,919	98,894	25
Operation and Maintenance of Plant:			
Purchased Services	685	685	0
Total Operation and Maintenance of Plant	685	685	0
Total Support Services	227,161	227,136	25
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Site Acquisition Services:			
Capital Outlay - New	74,500	74,500	0
Total Capital Outlay	74,500	74,500	0
Total Expenditures	1,174,243	1,160,068	14,175
(Deficiency) of Revenues (Under) Expenditures	(206,010)	(191,835)	14,175

(continued)

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Auxiliary Services (Continued)  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	615	615	0
Operating Transfers In	77,325	77,325	0
Operating Transfers Out	(66,207)	(66,207)	0
Total Other Financing Sources (Uses)	<u>11,733</u>	<u>11,733</u>	<u>0</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(194,277)	(180,102)	14,175
Fund Balance at Beginning of Year	117,426	117,426	0
Prior Year Encumbrances Appropriated	<u>76,851</u>	<u>76,851</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$14,175</u>	<u>\$14,175</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Pupils Program  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	350	0	350
Total Expenditures	350	0	350
Excess of Revenues (Under) Expenditures	(350)	0	350
Fund Balance at Beginning of Year	350	350	0
Fund Balance at End of Year	\$0	\$350	\$350

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Teacher Development  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$38,841	\$38,841	\$0
Total Revenues	<u>38,841</u>	<u>38,841</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	41,363	21,407	19,956
Purchased Services	— 16,872	12,187	4,685
Total Expenditures	<u>58,235</u>	<u>33,594</u>	<u>24,641</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,394)</u>	<u>5,247</u>	<u>24,641</u>
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>19,394</u>	<u>19,394</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$24,641</u>	<u>\$24,641</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Management Information Systems  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$15,319	\$15,319	\$0
Total Revenues	<u>15,319</u>	<u>15,319</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Support Services:			
Administration:			
Purchased Services	275	275	0
Capital Outlay - New	31,650	17,426	14,224
Total Expenditures	<u>31,925</u>	<u>17,701</u>	<u>14,224</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(16,606)</u>	<u>(2,382)</u>	<u>14,224</u>
Fund Balance at Beginning of Year	6,707	6,707	0
Prior Year Encumbrances Appropriated	<u>14,690</u>	<u>14,690</u>	<u>0</u>
Fund Balance at End of Year	<u>\$4,791</u>	<u>\$19,015</u>	<u>\$14,224</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Textbook Instructional Material Subsidy  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$81,819	\$81,819	\$0
Total Revenues	81,819	81,819	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	81,819	81,819	0
Total Expenditures	81,819	81,819	0
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Other State Grants  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$2,000	\$2,000	\$0
Total Revenues	2,000	2,000	0
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	813	0	813
Fringe Benefits	582	0	582
Materials and Supplies	131	0	131
Total Instruction	1,526	0	1,526
Support Services:			
Instructional Staff:			
Salaries and Wages	4,485	2,816	1,669
Fringe Benefits	1,085	0	1,085
Purchased Services	552	240	312
Materials and Supplies	662	487	175
Capital Outlay - New	218	218	0
Total Support Services	7,002	3,761	3,241
Total Expenditures	8,528	3,761	4,767
(Deficiency) of Revenues (Under) Expenditures	(6,528)	(1,761)	4,767
Fund Balance at Beginning of Year	6,288	6,288	0
Prior Year Encumbrances Appropriated	240	240	0
Fund Balance at End of Year	\$0	\$4,767	\$4,767



Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Economic Security Act  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Fringe Benefits	428	0	428
Total Instruction	<u>428</u>	<u>0</u>	<u>428</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	16,455	7,036	9,419
Fringe Benefits	2,330	830	1,500
Purchased Services	<u>2,187</u>	<u>710</u>	<u>1,477</u>
Total Support Services	<u>20,972</u>	<u>8,576</u>	<u>12,396</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>1,593</u>	<u>0</u>	<u>1,593</u>
Total Operation of Non-Instructional Services	<u>1,593</u>	<u>0</u>	<u>1,593</u>
Total Expenditures	<u>22,993</u>	<u>8,576</u>	<u>14,417</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(22,993)</u>	<u>(8,576)</u>	<u>14,417</u>
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(1,355)	(1,355)	0
Operating Transfers In	14,786	14,786	0
Operating Transfers Out	<u>(14,786)</u>	<u>(14,786)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,355)</u>	<u>(1,355)</u>	<u>0</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	<u>(24,348)</u>	<u>(9,931)</u>	<u>14,417</u>
Fund Balance at Beginning of Year	23,920	23,920	0
Prior Year Encumbrances Appropriated	<u>428</u>	<u>428</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$14,417</u>	<u>\$14,417</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Title VI-B  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
<i>Intergovernmental</i>	\$217,869	\$217,869	\$0
Total Revenues	217,869	217,869	0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	2,281	281	2,000
Materials and Supplies	7,201	7,075	126
Total Instruction	9,482	7,356	2,126
Support Services:			
Pupils:			
Salaries and Wages	183,428	158,983	24,445
Fringe Benefits	22,960	16,503	6,457
Total Pupils	206,388	175,486	30,902
Instructional Staff:			
Salaries and Wages	37,417	33,239	4,178
Fringe Benefits	4,139	3,847	292
Purchased Services	3,400	402	2,998
Total Instructional Staff	44,956	37,488	7,468
Total Support Services	251,344	212,974	38,370
Total Expenditures	260,826	220,330	40,496
(Deficiency) of Revenues (Under) Expenditures	(42,957)	(2,461)	40,496
Fund Balance at Beginning of Year	42,957	42,957	0
Fund Balance at End of Year	\$0	\$40,496	\$40,496

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Vocational Education  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$485	\$485	\$0
Total Revenues	485	485	0
<u>Expenditures</u>			
Current:			
Instruction:			
Vocational:			
Capital Outlay - New	9,215	0	9,215
Total Expenditures	9,215	0	9,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,730)	485	9,215
Fund Balance at Beginning of Year	9,454	9,454	0
Fund Balance at End of Year	<u>\$724</u>	<u>\$9,939</u>	<u>\$9,215</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Title VI  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	20,319	0	20,319
Purchased Services	10,117	10,117	0
Total Support Services	30,436	10,117	20,319
Community Services:			
Purchased Services	39	0	39
Materials and Supplies	583	0	583
Total Community Services	622	0	622
Total Expenditures	31,058	10,117	20,941
(Deficiency) of Revenues (Under) Expenditures	(31,058)	(10,117)	20,941
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(468)	(468)	0
Operating Transfers In	20,941	20,941	0
Operating Transfers Out	(20,941)	(20,941)	0
Total Other Financing Sources (Uses)	(468)	(468)	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(31,526)	(10,585)	20,941
Fund Balance at Beginning of Year	21,409	21,409	0
Prior Year Encumbrances Appropriated	10,117	10,117	0
Fund Balance at End of Year	\$0	\$20,941	\$20,941

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Drug-Free Grant  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$21,770	\$21,770	\$0
Total Revenues	21,770	21,770	0
<u>Expenditures</u>			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	484	484	0
Fringe Benefits	838	838	0
Purchased Services	14,606	14,606	0
Materials and Supplies	7,141	694	6,447
Capital Outlay - New	1,000	0	1,000
Total Expenditures	24,069	16,622	7,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,299)	5,148	7,447
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Receipts	(40)	(40)	0
Advances Out	0	(1,148)	(1,148)
Operating Transfers In	8,983	8,983	0
Operating Transfers Out	(8,983)	(8,983)	0
Total Other Financing Sources (Uses)	(40)	(1,188)	(1,148)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,339)	3,960	6,299
Fund Balance at Beginning of Year	150	150	0
Prior Year Encumbrances Appropriated	2,189	2,189	0
Fund Balance at End of Year	\$0	\$6,299	\$6,299

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 EHA Preschool Grant  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$22,815	\$22,815	\$0
Total Revenues	22,815	22,815	0
<u>Expenditures</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	25,594	23,343	2,251
Total Expenditures	25,594	23,343	2,251
(Deficiency) of Revenues (Under) Expenditures	(2,779)	(528)	2,251
Fund Balance at Beginning of Year	2,779	2,779	0
Fund Balance at End of Year	\$0	\$2,251	\$2,251

**Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Miscellaneous Federal Grants  
For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$29,230	\$29,230	\$0
Total Revenues	29,230	29,230	0
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Vocational:</b>			
Salaries and Wages	9,856	9,856	0
Fringe Benefits	701	215	486
Capital Outlay - New	168	0	168
Total Vocational	10,725	10,071	654
<b>Adult/Continuing:</b>			
Purchased Services	3,666	519	3,147
Materials and Supplies	960	957	3
Capital Outlay - New	2,800	2,589	211
Total Adult/Continuing	7,426	4,065	3,361
Total Instruction	18,151	14,136	4,015
<b>Support Services:</b>			
<b>Pupils:</b>			
Purchased Services	6,227	3,663	2,564
Materials and Supplies	309	309	0
Other	250	0	250
Total Pupils	6,786	3,972	2,814
<b>Instructional Staff:</b>			
Salaries and Wages	11,197	10,205	992
Capital Outlay - New	7,311	3,459	3,852
Total Instructional Staff	18,508	13,664	4,844
Total Support Services	25,294	17,636	7,658
<b>Operation of Non-Instructional Services:</b>			
<b>Community Services:</b>			
Materials and Supplies	1,400	718	682
Total Operation of Non-Instructional Services	1,400	718	682
Total Expenditures	44,845	32,490	12,355
(Deficiency) of Revenues (Under) Expenditures	(15,615)	(3,260)	12,355
<b>Other Financing Sources (Uses)</b>			
Refund of Prior Year Receipts	(1,207)	(1,207)	0
Advances In	0	3,865	3,865
Advances Out	0	(5,499)	(5,499)
Total Other Financing Sources (Uses)	(1,207)	(2,841)	(1,634)
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(16,822)	(6,101)	10,721
Fund Balance at Beginning of Year	12,959	12,959	0
Fund Balance (Deficit) at End of Year	(\$3,863)	\$6,858	\$10,721

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget and Actual (Budget Basis)  
 All Special Revenue Funds  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Intergovernmental	\$1,398,381	\$1,398,381	\$0
Tuition and Fees	90,842	90,842	0
Extracurricular Activities	387,260	387,260	0
Food Service	11,542	11,542	0
Miscellaneous	105,614	105,614	0
<b>Total Revenues</b>	<b>1,993,639</b>	<b>1,993,639</b>	<b>0</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular:</b>			
Salaries and Wages	62,691	61,878	813
Fringe Benefits	18,167	17,157	1,010
Purchased Services	379,295	377,978	1,317
Materials and Supplies	391,995	377,948	14,047
Capital Outlay - New	160,633	159,077	1,556
<b>Total Regular</b>	<b>1,012,781</b>	<b>994,038</b>	<b>18,743</b>
<b>Special:</b>			
Salaries and Wages	2,281	281	2,000
Materials and Supplies	7,201	7,075	126
<b>Total Special</b>	<b>9,482</b>	<b>7,356</b>	<b>2,126</b>
<b>Vocational:</b>			
Salaries and Wages	9,856	9,856	0
Fringe Benefits	701	215	486
Capital Outlay - New	9,383	0	9,383
<b>Total Vocational</b>	<b>19,940</b>	<b>10,071</b>	<b>9,869</b>
<b>Adult Continuing:</b>			
Purchased Services	3,666	519	3,147
Materials and Supplies	960	957	3
Capital Outlay - New	2,800	2,589	211
<b>Total Adult/Continuing</b>	<b>7,426</b>	<b>4,065</b>	<b>3,361</b>
<b>Total Instruction</b>	<b>1,049,629</b>	<b>1,015,530</b>	<b>34,099</b>
<b>Support Services:</b>			
<b>Pupils:</b>			
Salaries and Wages	285,039	260,594	24,445
Fringe Benefits	46,522	40,065	6,457
Purchased Services	194,006	58,007	135,999
Materials and Supplies	182,023	171,804	10,219
Capital Outlay - New	55,900	54,115	1,785
Other	1,250	0	1,250
<b>Total Pupils</b>	<b>764,740</b>	<b>584,585</b>	<b>180,155</b>

(continued)



**Hudson Local School District**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balances - Budget and Actual (Budget Basis)**  
**All Special Revenue Funds (Continued)**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Instructional Staff:</b>			
Salaries and Wages	156,830	98,046	58,784
Fringe Benefits	7,554	4,677	2,877
Purchased Services	33,128	23,656	9,472
Materials and Supplies	662	487	175
Capital Outlay - New	7,528	3,677	3,851
<b>Total Instructional Staff</b>	<b>205,702</b>	<b>130,543</b>	<b>75,159</b>
<b>Administration:</b>			
Salaries and Wages	48,118	48,118	0
Fringe Benefits	19,878	19,878	0
Purchased Services	6,439	6,439	0
Materials and Supplies	850	850	0
Capital Outlay - New	31,650	17,426	14,224
Capital Outlay - Replacement	0	0	0
Other	23,909	23,884	25
<b>Total Administration</b>	<b>130,844</b>	<b>116,595</b>	<b>14,249</b>
<b>Operation and Maintenance of Plant:</b>			
Purchased Services	685	685	0
<b>Total Operation and Maintenance of Plant</b>	<b>685</b>	<b>685</b>	<b>0</b>
<b>Total Support Services</b>	<b>1,101,971</b>	<b>832,408</b>	<b>269,563</b>
<b>Operation of Non-Instructional Services:</b>			
<b>Food Service Operations:</b>			
Purchased Services	57	0	57
Materials and Supplies	13,769	11,547	2,222
Capital Outlay - New	643	643	0
<b>Total Food Service Operations</b>	<b>14,469</b>	<b>12,190</b>	<b>2,279</b>
<b>Community Services:</b>			
Purchased Services	1,632	0	1,632
Materials and Supplies	1,983	718	1,265
<b>Total Community Services</b>	<b>3,615</b>	<b>718</b>	<b>2,897</b>
<b>Total Operation of Non-Instructional Services</b>	<b>18,084</b>	<b>12,908</b>	<b>5,176</b>
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities:</b>			
Purchased Services	32,193	21,853	10,340
Materials and Supplies	61,308	49,472	11,836
Capital Outlay - New	5,348	3,513	1,835
Other	85	85	0
<b>Total Academic and Subject Oriented Activities</b>	<b>98,934</b>	<b>74,923</b>	<b>24,011</b>
<b>Occupational Oriented Activities:</b>			
Purchased Services	2,000	1,730	270
<b>Total Occupational Oriented Activities</b>	<b>2,000</b>	<b>1,730</b>	<b>270</b>

(continued)

Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budget Basis)  
All Special Revenue Funds (Continued)  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	24,417	24,411	6
Fringe Benefits	2,173	2,166	7
Purchased Services	59,610	51,449	8,161
Materials and Supplies	153,730	106,459	47,271
Capital Outlay - New	26,805	24,629	2,176
Other	35,857	23,137	12,720
<b>Total Sports Oriented Activities</b>	<b>302,592</b>	<b>232,251</b>	<b>70,341</b>
School and Public Service Co-Curricular Activities:			
Purchased Services	69,774	52,377	17,397
Materials and Supplies	4,754	804	3,950
Capital Outlay - New	1,721	1,721	0
<b>Total School and Public Service Co-Curricular Activities</b>	<b>76,249</b>	<b>54,902</b>	<b>21,347</b>
<b>Total Extracurricular Activities</b>	<b>479,775</b>	<b>363,806</b>	<b>115,969</b>
Capital Outlay: Facilities Acquisition and Construction Services: Site Acquisition Services: Capital Outlay - New	74,500	74,500	0
<b>Total Capital Outlay</b>	<b>74,500</b>	<b>74,500</b>	<b>0</b>
<b>Total Expenditures</b>	<b>2,723,959</b>	<b>2,299,152</b>	<b>424,807</b>
(Deficiency) of Revenues (Under) Expenditures	(730,320)	(305,513)	424,807
<u>Other Financing Sources (Uses)</u>			
Refund of Prior Year Expenditures	615	615	0
Refund of Prior Year Receipts	(3,070)	(3,070)	0
Advances In	0	3,865	3,865
Advances Out	0	(6,647)	(6,647)
Operating Transfers In	189,552	189,552	0
Operating Transfers Out	(111,717)	(111,717)	0
<b>Total Other Financing Sources (Uses)</b>	<b>75,380</b>	<b>72,598</b>	<b>(2,782)</b>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(654,940)	(232,915)	422,025
Fund Balances at Beginning of Year	494,266	494,266	0
Prior Year Encumbrances Appropriated	182,615	182,615	0
<b>Fund Balances at End of Year</b>	<b>\$21,941</b>	<b>\$443,966</b>	<b>\$422,025</b>

### 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.

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget and Actual (Budget Basis)  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$2,060,087	\$2,060,087	\$0
Intergovernmental	237,587	237,587	0
Total Revenues	2,297,674	2,297,674	0
<u>Expenditures</u>			
Current:			
Support Services:			
Fiscal:			
Other	30,613	30,613	0
Total Support Services	30,613	30,613	0
Debt Service:			
Principal Retirement	1,888,151	1,888,151	0
Interest and Fiscal Charges	897,352	897,352	0
Total Debt Service	2,785,503	2,785,503	0
Total Expenditures	2,816,116	2,816,116	0
(Deficiency) of Revenues (Under) Expenditures	(518,442)	(518,442)	0
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	2,700	2,700	0
Operating Transfers In	260,986	260,986	0
Total Other Financing Sources	263,686	263,686	0
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	(254,756)	(254,756)	0
Fund Balance at Beginning of Year	1,303,789	1,303,789	0
Fund Balance at End of Year	\$1,049,033	\$1,049,033	\$0

### Capital Projects Funds

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

Permanent Improvement - The Permanent Improvement Fund may be used for acquiring real estate for school purposes; for constructing, adding to, remodeling and improving school buildings. Such expenditures shall add permanently to the school land or buildings, or extend the useful life of existing buildings for five years or more. The fund may also be used for landscaping and making other school site improvements which have an anticipated useful life of five years or more.

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

Hudson Local School District  
Combining Balance Sheet  
All Capital Projects Funds  
June 30, 1999

	Permanent Improvement	SchoolNet	Totals
<u>Assets</u>			
Equity in Pooled Cash and Investments	\$533,842	\$38,290	\$572,132
Receivables:			
Taxes	976,532	0	976,532
Total Assets	<u>\$1,510,374</u>	<u>\$38,290</u>	<u>\$1,548,664</u>
<u>Liabilities and Fund Equity</u>			
<u>Liabilities</u>			
Accounts Payable	\$320	\$0	\$320
Accrued Wages	0	214	214
Interfund Payable	90,000	0	90,000
Deferred Revenue	956,037	0	956,037
Total Liabilities	<u>1,046,357</u>	<u>214</u>	<u>1,046,571</u>
<u>Fund Equity</u>			
Fund Balance:			
Reserved for Encumbrances	170,843	350	171,193
Reserved for Property Tax Advance	20,495	0	20,495
Unreserved:			
Undesignated	272,679	37,726	310,405
Total Fund Equity	<u>464,017</u>	<u>38,076</u>	<u>502,093</u>
Total Liabilities and Fund Equity	<u>\$1,510,374</u>	<u>\$38,290</u>	<u>\$1,548,664</u>

**Hudson Local School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Capital Projects Funds  
For the Fiscal Year Ended June 30, 1999**

	Permanent Improvement	SchoolNet	Totals
<u>Revenues</u>			
Taxes	\$949,489	\$0	\$949,489
Intergovernmental	109,415	167,920	277,335
Total Revenues	<u>1,058,904</u>	<u>167,920</u>	<u>1,226,824</u>
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	0	173,726	173,726
Support Services:			
Instructional Staff	0	6,986	6,986
Fiscal	14,110	0	14,110
Capital Outlay	<u>1,227,833</u>	<u>0</u>	<u>1,227,833</u>
Total Expenditures	<u>1,241,943</u>	<u>180,712</u>	<u>1,422,655</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(183,039)</u>	<u>(12,792)</u>	<u>(195,831)</u>
Fund Balances at Beginning of Year	<u>647,056</u>	<u>50,868</u>	<u>697,924</u>
Fund Balances at End of Year	<u>\$464,017</u>	<u>\$38,076</u>	<u>\$502,093</u>

Hudson Local School District  
 Schedule of Revenues, Expenditures and Changes  
 In Fund Balances - Budget and Actual (Budget Basis)  
 Permanent Improvement  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Taxes	\$954,971	\$954,971	\$0
Intergovernmental	109,415	109,415	0
Total Revenues	<u>1,064,386</u>	<u>1,064,386</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Support Services:			
Fiscal:			
Other	26,200	14,110	12,090
Total Support Services	<u>26,200</u>	<u>14,110</u>	<u>12,090</u>
Capital Outlay:			
Building Improvement Services:			
Purchased Services	998,908	966,081	32,827
Materials and Supplies	24,225	24,225	0
Capital Outlay - Replacement	408,085	388,095	19,990
Total Building Improvement Services	<u>1,431,218</u>	<u>1,378,401</u>	<u>52,817</u>
Other Facilities Acquisition and Construction Services:			
Capital Outlay - New	20,500	20,275	225
Total Other Facilities Acquisition and Construction Services	<u>20,500</u>	<u>20,275</u>	<u>225</u>
Total Capital Outlay	<u>1,451,718</u>	<u>1,398,676</u>	<u>53,042</u>
Total Expenditures	<u>1,477,918</u>	<u>1,412,786</u>	<u>65,132</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(413,532)</u>	<u>(348,400)</u>	<u>65,132</u>
<u>Other Financing Sources</u>			
Advances In	0	90,000	90,000
Total Other Financing Sources	<u>0</u>	<u>90,000</u>	<u>90,000</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures	<u>(413,532)</u>	<u>(258,400)</u>	<u>155,132</u>
Fund Balance at Beginning of Year	350,061	350,061	0
Prior Year Encumbrances Appropriated	271,018	271,018	0
Fund Balance at End of Year	<u>\$207,547</u>	<u>\$362,679</u>	<u>\$155,132</u>



Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balances - Budget and Actual (Budget Basis)  
SchoolNet  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$167,920	\$167,920	\$0
Total Revenues	167,920	167,920	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,077	0	4,077
Purchased Services	2,000	300	1,700
Materials and Supplies	15,219	9,576	5,643
Capital Outlay - New	183,729	164,211	19,518
Total Instruction	205,025	174,087	30,938
Support Services:			
Instructional Staff:			
Salaries and Wages	14,523	7,522	7,001
Total Support Services	14,523	7,522	7,001
Total Expenditures	219,548	181,609	37,939
(Deficiency) of Revenues (Under) Expenditures	(51,628)	(13,689)	37,939
Fund Balance at Beginning of Year	51,403	51,403	0
Prior Year Encumbrances Appropriated	225	225	0
Fund Balance at End of Year	\$0	\$37,939	\$37,939

**Hudson Local School District**  
**Schedule of Revenues, Expenditures and Changes**  
**In Fund Balances - Budget and Actual (Budget Basis)**  
**All Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$954,971	\$954,971	\$0
Intergovernmental	277,335	277,335	0
<b>Total Revenues</b>	<b>1,232,306</b>	<b>1,232,306</b>	<b>0</b>
<b>Expenditures</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular:</b>			
Salaries and Wages	4,077	0	4,077
Purchased Services	2,000	300	1,700
Materials and Supplies	15,219	9,576	5,643
Capital Outlay - New	183,729	164,211	19,518
<b>Total Instruction</b>	<b>205,025</b>	<b>174,087</b>	<b>30,938</b>
<b>Support Services:</b>			
<b>Instructional Staff:</b>			
Salaries and Wages	14,523	7,522	7,001
<b>Total Instructional Staff</b>	<b>14,523</b>	<b>7,522</b>	<b>7,001</b>
<b>Fiscal:</b>			
Other	26,200	14,110	12,090
<b>Total Fiscal</b>	<b>26,200</b>	<b>14,110</b>	<b>12,090</b>
<b>Total Support Services</b>	<b>40,723</b>	<b>21,632</b>	<b>19,091</b>
<b>Capital Outlay:</b>			
<b>Facilities Acquisition and Construction Services:</b>			
<b>Building Improvement Services:</b>			
Purchased Services	998,908	966,081	32,827
Materials and Supplies	24,225	24,225	0
Capital Outlay - Replacement	408,085	388,095	19,990
<b>Total Building Improvement Services</b>	<b>1,431,218</b>	<b>1,378,401</b>	<b>52,817</b>
<b>Other Facilities Acquisition and Construction Services:</b>			
Capital Outlay - New	20,500	20,275	225
<b>Total Other Facilities Acquisition and Construction Services</b>	<b>20,500</b>	<b>20,275</b>	<b>225</b>
<b>Total Capital Outlay</b>	<b>1,451,718</b>	<b>1,398,676</b>	<b>53,042</b>
<b>Total Expenditures</b>	<b>1,697,466</b>	<b>1,594,395</b>	<b>103,071</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(465,160)</b>	<b>(362,089)</b>	<b>103,071</b>
<b>Other Financing Sources</b>			
Advances In	0	90,000	90,000
<b>Total Other Financing Sources</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>
<b>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures</b>	<b>(465,160)</b>	<b>(272,089)</b>	<b>193,071</b>
Fund Balances at Beginning of Year	401,464	401,464	0
Prior Year Encumbrances Appropriated	271,243	271,243	0
<b>Fund Balances at End of Year</b>	<b>\$207,547</b>	<b>\$400,618</b>	<b>\$193,071</b>

## Enterprise Funds

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

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

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

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

**Hudson Local School District  
Combining Balance Sheet  
All Enterprise Funds  
June 30, 1999**

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Assets</u>					
Current Assets:					
Equity in Pooled Cash and Investments	\$254,967	\$77,491	\$53,221	\$137,035	\$522,714
Receivables:					
Accounts	0	0	545	0	545
Intergovernmental	7,839	0	0	0	7,839
Inventory Held For Resale	28,567	28,390	0	0	56,957
Materials and Supplies Inventory	5,811	0	0	0	5,811
<b>Total Current Assets</b>	<b>297,184</b>	<b>105,881</b>	<b>53,766</b>	<b>137,035</b>	<b>593,866</b>
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	252,961	0	5,434	1,288	259,683
<b>Total Assets</b>	<b>\$550,145</b>	<b>\$105,881</b>	<b>\$59,200</b>	<b>\$138,323</b>	<b>\$853,549</b>
<u>Liabilities and Fund Equity</u>					
<u>Liabilities</u>					
Accounts Payable	\$7,028	\$20,412	\$3,682	\$36,408	\$67,530
Accrued Wages	54,520	0	20,541	46,790	121,851
Compensated Absences Payable	32,251	0	0	19,996	52,247
Interfund Payable	0	0	1,897	0	1,897
Intergovernmental Payable	47,863	0	187	19,136	67,186
Deferred Revenue	12,499	0	0	0	12,499
<b>Total Liabilities</b>	<b>154,161</b>	<b>20,412</b>	<b>26,307</b>	<b>122,330</b>	<b>323,210</b>
<u>Fund Equity</u>					
Retained Earnings (Deficit):					
Reserved:					
Unreserved	395,984	85,469	32,893	15,993	530,339
<b>Total Fund Equity</b>	<b>395,984</b>	<b>85,469</b>	<b>32,893</b>	<b>15,993</b>	<b>530,339</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$550,145</b>	<b>\$105,881</b>	<b>\$59,200</b>	<b>\$138,323</b>	<b>\$853,549</b>

**Hudson Local School District**  
**Combining Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**All Enterprise Funds**  
**For the Fiscal Year Ended June 30, 1999**

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Operating Revenues</u>					
Tuition	\$0	\$0	\$31,497	\$0	\$31,497
Sales	0	151,385	0	0	151,385
Charges for Services	1,194,250	0	0	0	1,194,250
Other Operating Revenues	0	0	31,873	546,495	578,368
<b>Total Operating Revenues</b>	<b>1,194,250</b>	<b>151,385</b>	<b>63,370</b>	<b>546,495</b>	<b>1,955,500</b>
<u>Operating Expenses</u>					
Salaries	392,112	0	37,310	230,501	659,923
Fringe Benefits	137,110	0	221	37,189	174,520
Purchased Services	16,973	2,970	55,101	226,418	301,462
Materials and Supplies	82,835	134,188	38,828	32,883	288,734
Cost of Sales	610,021	0	0	0	610,021
Depreciation	18,509	0	3,318	304	22,131
Other Operating Expenses	0	0	200	497	697
<b>Total Operating Expenses</b>	<b>1,257,560</b>	<b>137,158</b>	<b>134,978</b>	<b>527,792</b>	<b>2,057,488</b>
<b>Operating Income (Loss)</b>	<b>(63,310)</b>	<b>14,227</b>	<b>(71,608)</b>	<b>18,703</b>	<b>(101,988)</b>
<u>Non-Operating Revenues (Expenses)</u>					
Federal Donated Commodities	45,383	0	0	0	45,383
Operating Grants	53,204	0	40,850	0	94,054
Interest	9,420	0	0	0	9,420
Loss on Disposal of Fixed Assets	0	0	(3,879)	(214)	(4,093)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>108,007</b>	<b>0</b>	<b>36,971</b>	<b>(214)</b>	<b>144,764</b>
<b>Net Income (Loss)</b>	<b>44,697</b>	<b>14,227</b>	<b>(34,637)</b>	<b>18,489</b>	<b>42,776</b>
<u>Retained Earnings (Deficit) at</u>					
Beginning of Year	351,287	71,242	67,530	(2,496)	487,563
<b>Retained Earnings at End of Year</b>	<b>\$395,984</b>	<b>\$85,469</b>	<b>\$32,893</b>	<b>\$15,993</b>	<b>\$530,339</b>

Hudson Local School District  
Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget and Actual (Budget Basis)  
Food Service  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for Services	\$1,195,727	\$1,195,727	\$0
Interest	9,420	9,420	0
Operating Grants	52,615	52,615	0
Refund of Prior Year Expense	60	60	0
<b>Total Revenues</b>	<b>1,257,822</b>	<b>1,257,822</b>	<b>0</b>
<b>Expenses</b>			
<b>Salaries:</b>			
Food Service Operations	384,675	381,906	2,769
<b>Total Salaries</b>	<b>384,675</b>	<b>381,906</b>	<b>2,769</b>
<b>Fringe Benefits:</b>			
Food Service Operations	139,675	139,647	28
<b>Total Fringe Benefits</b>	<b>139,675</b>	<b>139,647</b>	<b>28</b>
<b>Purchased Services:</b>			
Operation and Maintenance of Plant	7,525	7,392	133
Food Service Operations	15,813	11,171	4,642
<b>Total Purchased Services</b>	<b>23,338</b>	<b>18,563</b>	<b>4,775</b>
<b>Materials and Supplies:</b>			
Food Service Operations	813,113	696,150	116,963
<b>Total Materials and Supplies</b>	<b>813,113</b>	<b>696,150</b>	<b>116,963</b>
<b>Capital Outlay:</b>			
<b>Capital Outlay - New:</b>			
Food Service Operations	23,000	22,054	946
<b>Total Capital Outlay - New</b>	<b>23,000</b>	<b>22,054</b>	<b>946</b>
<b>Capital Outlay - Replacement:</b>			
Food Service Operations	2,500	0	2,500
<b>Total Capital Outlay - Replacement</b>	<b>2,500</b>	<b>0</b>	<b>2,500</b>
<b>Total Capital Outlay</b>	<b>25,500</b>	<b>22,054</b>	<b>3,446</b>
<b>Total Expenses</b>	<b>1,386,301</b>	<b>1,258,320</b>	<b>127,981</b>
(Deficiency) of Revenues (Under) Expenses	(128,479)	(498)	127,981
Fund Equity at Beginning of Year	188,572	188,572	0
Prior Year Encumbrances Appropriated	11,801	11,801	0
<b>Fund Equity at End of Year</b>	<b>\$71,894</b>	<b>\$199,875</b>	<b>\$127,981</b>

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 Uniform School Supply  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Sales	\$151,385	\$151,385	\$0
Total Revenues	151,385	151,385	0
<u>Expenses</u>			
Purchased Services:			
Regular Instruction	3,030	3,003	27
Total Purchased Services	3,030	3,003	27
Materials and Supplies:			
Regular Instruction	215,866	182,000	33,866
Vocational Instruction	1,000	0	1,000
Total Materials and Supplies	216,866	182,000	34,866
Capital Outlay:			
Capital Outlay - New:			
Regular Instruction	500	121	379
Total Capital Outlay	500	121	379
Total Expenses	220,396	185,124	35,272
(Deficiency) of Revenues (Under) Expenses	(69,011)	(33,739)	35,272
Fund Equity at Beginning of Year	37,066	37,066	0
Prior Year Encumbrances Appropriated	35,996	35,996	0
Fund Equity at End of Year	\$4,051	\$39,323	\$35,272

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 Rotary  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$31,497	\$31,497	\$0
Other Revenues	31,710	31,710	0
Operating Grants	40,850	40,850	0
Total Revenues	104,057	104,057	0
<u>Expenses</u>			
Salaries:			
Regular Instruction	21,800	19,564	2,236
Instructional Staff Support Services	9,133	1,223	7,910
Total Salaries	30,933	20,787	10,146
Fringe Benefits:			
Regular Instruction	2,318	537	1,781
Instructional Staff Support Services	1,300	283	1,017
Total Fringe Benefits	3,618	820	2,798
Purchased Services:			
Regular Instruction	1,015	1,005	10
Vocational Instruction	943	804	139
Special Instruction	1,220	295	925
Instructional Staff Support Services	17,119	10,367	6,752
Community Services	63,670	46,570	17,100
Total Purchased Services	83,967	59,041	24,926
Materials and Supplies:			
Regular Instruction	17	17	0
Vocational Instruction	6,857	6,684	173
Special Instruction	3,580	3,570	10
Instructional Staff Support Services	4,387	585	802
Business Support Services	25,635	0	635
Total Materials and Supplies	40,476	38,856	1,620
Other:			
Regular Instruction	500	0	500
Special Instruction	1,000	0	1,000
Central Support Services	700	550	150
Refund of Prior Year Revenues	350	350	0
Total Other	2,550	900	1,650
Total Expenses	161,544	120,404	41,140
(Deficiency) of Revenues (Under) Expenses	(57,487)	(16,347)	41,140
Advances In	0	1,897	1,897
(Deficiency) of Revenues (Under) Expenses and Advances	(57,487)	(14,450)	43,037 <i>(continued)</i>



Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 Rotary (Continued)  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fund Equity at Beginning of Year	54,411	54,411	0
Prior Year Encumbrances Appropriated	6,676	6,676	0
Fund Equity at End of Year	<u>\$3,600</u>	<u>\$46,637</u>	<u>\$43,037</u>

**Hudson Local School District**  
**Schedule of Revenues, Expenses and Changes**  
**In Fund Equity - Budget and Actual (Budget Basis)**  
**Community Education**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Other Revenues	\$551,220	\$551,220	\$0
Refund of Prior Year Expense	292	292	0
<b>Total Revenues</b>	<b>551,512</b>	<b>551,512</b>	<b>0</b>
<b>Expenses</b>			
<b>Salaries:</b>			
Operation and Maintenance of Plant	39,440	39,431	9
Community Services	181,620	166,636	14,984
<b>Total Salaries</b>	<b>221,060</b>	<b>206,067</b>	<b>14,993</b>
<b>Fringe Benefits:</b>			
Operation and Maintenance of Plant	7,540	7,432	108
Community Services	35,466	29,024	6,442
<b>Total Fringe Benefits</b>	<b>43,006</b>	<b>36,456</b>	<b>6,550</b>
<b>Purchased Services:</b>			
Community Services	317,102	310,826	6,276
<b>Total Purchased Services</b>	<b>317,102</b>	<b>310,826</b>	<b>6,276</b>
<b>Materials and Supplies:</b>			
Community Services	42,998	39,178	3,820
<b>Total Materials and Supplies</b>	<b>42,998</b>	<b>39,178</b>	<b>3,820</b>
<b>Capital Outlay:</b>			
<b>Capital Outlay - New:</b>			
Community Services	4,650	2,082	2,568
<b>Total Capital Outlay</b>	<b>4,650</b>	<b>2,082</b>	<b>2,568</b>
<b>Other:</b>			
Community Services	500	497	3
Refund of Prior Year Revenues	4,725	4,725	0
<b>Total Other</b>	<b>5,225</b>	<b>5,222</b>	<b>3</b>
<b>Total Expenses</b>	<b>634,041</b>	<b>599,831</b>	<b>34,210</b>
<b>(Deficiency) of Revenues (Under) Expenses</b>	<b>(82,529)</b>	<b>(48,319)</b>	<b>34,210</b>
<b>Fund Equity at Beginning of Year</b>	<b>646</b>	<b>646</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>81,922</b>	<b>81,922</b>	<b>0</b>
<b>Fund Equity at End of Year</b>	<b>\$39</b>	<b>\$34,249</b>	<b>\$34,210</b>

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 All Enterprise Funds  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Tuition	\$31,497	\$31,497	\$0
Sales	151,385	151,385	0
Charges for Services	1,195,727	1,195,727	0
Interest	9,420	9,420	0
Other Revenues	582,930	582,930	0
Operating Grants	93,465	93,465	0
Refund of Prior Year Expense	352	352	0
Total Revenues	<u>2,064,776</u>	<u>2,064,776</u>	<u>0</u>
<u>Expenses</u>			
Salaries:			
Regular Instruction	21,800	19,564	2,236
Instructional Staff Support Services	9,133	1,223	7,910
Operation and Maintenance of Plant	39,440	39,431	9
Food Service Operations	384,675	381,906	2,769
Community Services	181,620	166,636	14,984
Total Salaries	<u>636,668</u>	<u>608,760</u>	<u>27,908</u>
Fringe Benefits:			
Regular Instruction	2,318	537	1,781
Instructional Staff Support Services	1,300	283	1,017
Operation and Maintenance of Plant	7,540	7,432	108
Food Service Operations	139,675	139,647	28
Community Services	35,466	29,024	6,442
Total Fringe Benefits	<u>186,299</u>	<u>176,923</u>	<u>9,376</u>
Purchased Services:			
Regular Instruction	4,045	4,008	37
Vocational Instruction	943	804	139
Special Instruction	1,220	295	925
Instructional Staff Support Services	17,119	10,367	6,752
Operation and Maintenance of Plant	7,525	7,392	133
Food Service Operations	15,813	11,171	4,642
Community Services	380,772	357,396	23,376
Total Purchased Services	<u>427,437</u>	<u>391,433</u>	<u>36,004</u>
Materials and Supplies:			
Regular Instruction	215,883	182,017	33,866
Vocational Instruction	7,857	6,684	1,173
Special Instruction	3,580	3,570	10
Instructional Staff Support Services	4,387	3,585	802
Food Service Operations	813,113	696,150	116,963
Community Services	42,998	39,178	3,820
Business Support Services	25,635	25,000	635
Total Materials and Supplies	<u>1,113,453</u>	<u>956,184</u>	<u>157,269</u>

(continued)

Hudson Local School District  
Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget and Actual (Budget Basis)  
All Enterprise Funds (Continued)  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Capital Outlay - New:			
Regular Instruction	500	121	379
Food Service Operations	23,000	22,054	946
Community Services	4,650	2,082	2,568
Total Capital Outlay - New	28,150	24,257	3,893
Capital Outlay - Replacement:			
Food Service Operations	2,500	0	2,500
Total Capital Outlay - Replacement	2,500	0	2,500
Total Capital Outlay	30,650	24,257	6,393
Other:			
Regular Instruction	500	0	500
Special Instruction	1,000	0	1,000
Central Support Services	700	550	150
Community Services	500	497	3
Refund of Prior Year Revenues	5,075	5,075	0
Total Other	7,775	6,122	1,653
Total Expenses	2,402,282	2,163,679	238,603
(Deficiency) of Revenue (Under) Expenses	(337,506)	(98,903)	238,603
Advances In	0	1,897	1,897
(Deficiency) of Revenues (Under) Expenses and Advances	(337,506)	(97,006)	240,500
Fund Equity at Beginning of Year	280,695	280,695	0
Prior Year Encumbrances Appropriated	136,395	136,395	0
Fund Equity at End of Year	\$79,584	\$320,084	\$240,500

**Hudson Local School District  
Combining Statement of Cash Flows  
All Enterprise Funds  
For the Fiscal Year Ended June 30, 1999**

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
<u>Cash Flows from Operating Activities</u>					
Cash Received from Customers	\$1,195,727	\$151,385	\$0	\$0	\$1,347,112
Cash Received from Tuition Payments	0	0	31,147	0	31,147
Cash Received from Other Operating Sources	60	0	31,710	546,495	578,265
Cash Payments to Suppliers for Goods and Services	(661,422)	(146,956)	(91,862)	(249,505)	(1,149,745)
Cash Payments to Employees for Services	(381,458)	0	(20,787)	(206,067)	(608,312)
Cash Payments for Employee Benefits	(139,647)	0	(820)	(36,456)	(176,923)
Net Cash Provided by (Used for) Operating Activities	13,260	4,429	(50,612)	54,467	21,544
<u>Cash Flows from Noncapital Financing Activities</u>					
Operating Grants Received	52,615	0	40,850	0	93,465
Short-Term Loans from Other Funds	0	0	1,897	0	1,897
Net Cash Provided by Noncapital Financing Activities	52,615	0	42,747	0	95,362
<u>Cash Flows from Capital and Related Financing Activities</u>					
Payments for Capital Acquisitions	(20,702)	0	0	0	(20,702)
Net Cash (Used for) Capital and Related Financing Activities	(20,702)	0	0	0	(20,702)
<u>Cash Flows from Investing Activities</u>					
Interest on Investment	9,420	0	0	0	9,420
Net Cash Provided by Investing Activities	9,420	0	0	0	9,420
Net Increase (Decrease) in Cash and Cash Equivalents	54,593	4,429	(7,865)	54,467	105,624
Cash and Cash Equivalents at Beginning of Year	200,374	73,062	61,086	82,568	417,090
Cash and Cash Equivalents at End of Year	254,967	77,491	53,221	137,035	522,714
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Operating Income (Loss)	(63,310)	14,227	(71,608)	18,703	(101,988)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	18,509	0	3,318	304	22,131
Donated Commodities Used During Year	45,383	0	0	0	45,383
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	1,477	0	(513)	0	964
(Increase)/Decrease in Inventory Held for Resale	(2,876)	(10,094)	0	0	(12,970)
(Increase)/Decrease in Materials and Supplies Inventory	(222)	0	0	0	(222)
Increase/(Decrease) in Accounts Payable	6,182	296	2,267	10,293	19,038
Increase/(Decrease) in Accrued Wages	6,059	0	16,469	25,604	48,132
Increase/(Decrease) in Compensated Absences Payable	4,542	0	0	(1,331)	3,211
Increase/(Decrease) in Intergovernmental Payable	(2,484)	0	(545)	894	(2,135)
Total Adjustments	76,570	(9,798)	20,996	35,764	123,532
Net Cash Provided by (Used for) Operating Activities	\$13,260	\$4,429	(\$50,612)	\$54,467	\$21,544

### Internal Service Funds

Six District Compact - An internal service fund provided to account for operations that provide goods or services to other government units within Summit County (six districts) on a cost-reimbursement basis. Hudson Local School District acts as a fiscal agent for the multi-district program.

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

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

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

**Hudson Local School District  
Combining Balance Sheet  
All Internal Service Funds  
June 30, 1999**

	Six District Compact	Intradistrict	Self- Insurance	Computer Library	Totals
<b>Assets</b>					
<b>Current Assets:</b>					
Equity in Pooled Cash and Investments	\$55,160	\$65,031	\$893,539	\$350	\$1,014,080
<b>Receivables:</b>					
Accounts	5,281	0	7,994	0	13,275
<b>Total Current Assets</b>	<b>60,441</b>	<b>65,031</b>	<b>901,533</b>	<b>350</b>	<b>1,027,355</b>
<b>Fixed Assets (Net, where applicable, of Accumulated Depreciation)</b>					
	2,072	0	0	0	2,072
<b>Total Assets</b>	<b>\$62,513</b>	<b>\$65,031</b>	<b>\$901,533</b>	<b>\$350</b>	<b>\$1,029,427</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities</b>					
Accounts Payable	\$1,187	\$0	\$0	\$0	\$1,187
Accrued Wages	5,050	0	0	0	5,050
Compensated Absences Payable	17,586	0	0	0	17,586
Intergovernmental Payable	2,227	0	54	0	2,281
Claims Payable	0	0	490,295	0	490,295
<b>Total Liabilities</b>	<b>26,050</b>	<b>0</b>	<b>490,349</b>	<b>0</b>	<b>516,399</b>
<b>Fund Equity</b>					
<b>Retained Earnings:</b>					
<b>Reserved:</b>					
Unreserved	36,463	65,031	411,184	350	513,028
<b>Total Fund Equity</b>	<b>36,463</b>	<b>65,031</b>	<b>411,184</b>	<b>350</b>	<b>513,028</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$62,513</b>	<b>\$65,031</b>	<b>\$901,533</b>	<b>\$350</b>	<b>\$1,029,427</b>

**Hudson Local School District  
Combining Statement of Revenues,  
Expenses and Changes in Retained Earnings  
All Internal Service Funds  
For the Fiscal Year Ended June 30, 1999**

	Six District Compact	Intradistrict	Self- Insurance	Computer Library	Totals
<u>Operating Revenues</u>					
Charges for Services	\$0	\$0	\$2,888,087	\$0	\$2,888,087
Other Operating Revenues	160,628	0	0	0	160,628
Total Operating Revenues	160,628	0	2,888,087	0	3,048,715
<u>Operating Expenses</u>					
Salaries	88,246	0	38,537	0	126,783
Fringe Benefits	17,417	0	2,202	0	19,619
Purchased Services	20,528	0	731,147	0	751,675
Materials and Supplies	12,026	0	0	0	12,026
Depreciation	414	0	0	0	414
Claims	0	0	2,314,832	0	2,314,832
Total Operating Expenses	138,631	0	3,086,718	0	3,225,349
Operating Income (Loss)	21,997	0	(198,631)	0	(176,634)
<u>Non-Operating Revenues</u>					
Interest	0	0	38,161	0	38,161
Total Non-Operating Revenues	0	0	38,161	0	38,161
Income (Loss) Before Operating Transfers	21,997	0	(160,470)	0	(138,473)
Operating Transfers In	4,700	0	0	0	4,700
Net Income (Loss)	26,697	0	(160,470)	0	(133,773)
Retained Earnings at Beginning of Year	14,199	65,031	571,654	350	651,234
Residual Equity Transfer Out	(4,433)	0	0	0	(4,433)
Retained Earnings at End of Year	\$36,463	\$65,031	\$411,184	\$350	\$513,028



Hudson Local School District  
Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget and Actual (Budget Basis)  
Six District Compact  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Other Revenues	\$206,406	\$199,603	(\$6,803)
Total Revenues	206,406	199,603	(6,803)
<u>Expenses</u>			
Salaries:			
Instructional Staff Support Services	88,670	88,589	81
Operation and Maintenance of Plant	2,120	1,998	122
Total Salaries	90,790	90,587	203
Fringe Benefits:			
Instructional Staff Support Services	20,103	18,791	1,312
Operation and Maintenance of Plant	156	153	3
Total Fringe Benefits	20,259	18,944	1,315
Purchased Services:			
Instructional Staff Support Services	39,430	27,413	12,017
Operation and Maintenance of Plant	606	16	590
Total Purchased Services	40,036	27,429	12,607
Materials and Supplies:			
Instructional Staff Support Services	7,495	4,887	2,608
Operation and Maintenance of Plant	8,247	5,106	3,141
Total Materials and Supplies	15,742	9,993	5,749
Capital Outlay:			
Capital Outlay - New:			
Instructional Staff Support Services	5,900	0	5,900
Total Capital Outlay	5,900	0	5,900
Total Expenses	172,727	146,953	25,774
Excess of Revenues Over Expenses	33,679	52,650	18,971
Advances Out	0	(16,978)	(16,978)
Operating Transfers In	0	4,700	4,700
Excess of Revenues Over Expenses, Advances and Operating Transfers	33,679	40,372	6,693
Fund Equity at Beginning of Year	6,279	6,279	0
Prior Year Encumbrances Appropriated	6,110	6,110	0
Fund Equity at End of Year	\$46,068	\$52,761	\$6,693

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 Intradistrict  
 For the Fiscal Year Ended June 30, 1999

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

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Equity - Budget and Actual (Budget Basis)  
 Self-Insurance  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$38,161	\$38,161	\$0
Other Revenues	2,888,087	2,888,087	0
Refund of Prior Year Expense	698	698	0
Total Revenues	<u>2,926,946</u>	<u>2,926,946</u>	<u>0</u>
<u>Expenses</u>			
Salaries:			
Central Support Services	<u>45,000</u>	<u>38,537</u>	<u>6,463</u>
Total Salaries	<u>45,000</u>	<u>38,537</u>	<u>6,463</u>
Fringe Benefits:			
Central Support Services	<u>14,400</u>	<u>4,260</u>	<u>10,140</u>
Total Fringe Benefits	<u>14,400</u>	<u>4,260</u>	<u>10,140</u>
Purchased Services:			
Central Support Services	<u>780,500</u>	<u>731,347</u>	<u>49,153</u>
Total Purchased Services	<u>780,500</u>	<u>731,347</u>	<u>49,153</u>
Other:			
Central Support Services	<u>2,141,900</u>	<u>2,132,884</u>	<u>9,016</u>
Total Other	<u>2,141,900</u>	<u>2,132,884</u>	<u>9,016</u>
Total Expenses	<u>2,981,800</u>	<u>2,907,028</u>	<u>74,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	(54,854)	19,918	74,772
Fund Equity at Beginning of Year	868,921	868,921	0
Prior Year Encumbrances Appropriated	<u>2,400</u>	<u>2,400</u>	<u>0</u>
Fund Equity at End of Year	<u>\$816,467</u>	<u>\$891,239</u>	<u>\$74,772</u>

**Hudson Local School District**  
**Schedule of Revenues, Expenses and Changes**  
**In Fund Equity - Budget and Actual (Budget Basis)**  
**Computer Library**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenses</u>			
Materials and Supplies:			
Instructional Staff Support Services	58	0	58
Total Materials and Supplies	58	0	58
Capital Outlay:			
Capital Outlay - New:			
Instructional Staff Support Services	292	0	292
Total Capital Outlay	292	0	292
Total Expenses	350	0	350
Excess (Deficiency) of Revenues Over (Under) Expenses	(350)	0	350
Fund Equity at Beginning of Year	350	350	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at End of Year	<u>\$0</u>	<u>\$350</u>	<u>\$350</u>

Hudson Local School District  
Schedule of Revenues, Expenses and Changes  
In Fund Equity - Budget and Actual (Budget Basis)  
All Internal Service Funds  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Interest	\$38,161	\$38,161	\$0
Other Revenues	3,094,493	3,087,690	(6,803)
Refund of Prior Year Expense	698	698	0
Total Revenues	<u>3,133,352</u>	<u>3,126,549</u>	<u>(6,803)</u>
<u>Expenses</u>			
Salaries:			
Instructional Staff Support Services	88,670	88,589	81
Operation and Maintenance of Plant	2,120	1,998	122
Central Support Services	45,000	38,537	6,463
Total Salaries	<u>135,790</u>	<u>129,124</u>	<u>6,666</u>
Fringe Benefits:			
Instructional Staff Support Services	20,103	18,791	1,312
Operation and Maintenance of Plant	156	153	3
Central Support Services	14,400	4,260	10,140
Total Fringe Benefits	<u>34,659</u>	<u>23,204</u>	<u>11,455</u>
Purchased Services:			
Instructional Staff Support Services	39,430	27,413	12,017
Operation and Maintenance of Plant	606	16	590
Central Support Services	780,500	731,347	49,153
Total Purchased Services	<u>820,536</u>	<u>758,776</u>	<u>61,760</u>
Materials and Supplies:			
Instructional Staff Support Services	7,553	4,887	2,666
Operation and Maintenance of Plant	8,247	5,106	3,141
Total Materials and Supplies	<u>15,800</u>	<u>9,993</u>	<u>5,807</u>
Capital Outlay:			
Capital Outlay - New:			
Instructional Staff Support Services	6,192	0	6,192
Total Capital Outlay	<u>6,192</u>	<u>0</u>	<u>6,192</u>
Other:			
Central Support Services	2,141,900	2,132,884	9,016
Total Other	<u>2,141,900</u>	<u>2,132,884</u>	<u>9,016</u>
Total Expenses	<u>3,154,877</u>	<u>3,053,981</u>	<u>100,896</u>
Excess (Deficiency) of Revenue Over (Under) Expenses	(21,525)	72,568	94,093
Advances Out	0	(16,978)	(16,978)
Operating Transfers In	0	4,700	4,700
Excess (Deficiency) of Revenues Over (Under) Expenses, Advances and Operating Transfers	(21,525)	60,290	81,815

(continued)

**Hudson Local School District**  
**Schedule of Revenues, Expenses and Changes**  
**In Fund Equity - Budget and Actual (Budget Basis)**  
**All Internal Service Funds (Continued)**  
**For the Fiscal Year Ended June 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Fund Equity at Beginning of Year	940,581	940,581	0
Prior Year Encumbrances Appropriated	8,510	8,510	0
Fund Equity at End of Year	<u>\$927,566</u>	<u>\$1,009,381</u>	<u>\$81,815</u>

Hudson Local School District  
Combining Statement of Cash Flows  
All Internal Service Funds  
For the Fiscal Year Ended June 30, 1999

	Six District Compact	Intradistrict	Self- Insurance
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$0	\$0	\$2,888,087
Cash Received from Other Operating Sources	199,603	0	0
Cash Payments to Suppliers for Goods and Services	(35,023)	0	(731,147)
Cash Payments to Employees for Services	(90,587)	0	(38,537)
Cash Payments for Employee Benefits	(18,944)	0	(2,660)
Cash Payments for Claims	0	0	(2,131,686)
Net Cash Provided by (Used for) Operating Activities	<u>55,049</u>	<u>0</u>	<u>(15,943)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
Operating Transfers In	4,700	0	0
Repayment of Short-Term Loans From Other Funds	(16,978)	0	0
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(12,278)</u>	<u>0</u>	<u>0</u>
<u>Cash Flows from Investing Activities</u>			
Interest on Investments	0	0	38,161
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>38,161</u>
Net Increase in Cash and Cash Equivalents	42,771	0	22,218
Cash and Cash Equivalents at Beginning of Year	12,389	65,031	871,321
Cash and Cash Equivalents at End of Year	<u>55,160</u>	<u>65,031</u>	<u>893,539</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Operating Income (Loss)	21,997	0	(198,631)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>			
Depreciation	414	0	0
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	38,975	0	(7,771)
(Increase)/Decrease in Materials and Supplies Inventory	3,314	0	0
Increase/(Decrease) in Accounts Payable	(5,783)	0	(520)
Increase/(Decrease) in Accrued Wages	(153)	0	0
Increase/(Decrease) in Compensated Absences Payable	(2,175)	0	0
Increase/(Decrease) in Intergovernmental Payable	(1,540)	0	(161)
Increase/(Decrease) in Claims Payable	0	0	191,140
Total Adjustments	<u>33,052</u>	<u>0</u>	<u>182,688</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$55,049</u>	<u>\$0</u>	<u>(\$15,943)</u>

Computer Library	Totals
\$0	\$2,888,087
0	199,603
0	(766,170)
0	(129,124)
0	(21,604)
0	(2,131,686)
0	39,106
0	4,700
0	(16,978)
0	(12,278)
0	38,161
0	38,161
0	64,989
350	949,091
350	1,014,080
0	(176,634)
0	414
0	31,204
0	3,314
0	(6,303)
0	(153)
0	(2,175)
0	(1,701)
0	191,140
0	215,740
\$0	\$39,106



## Trust and Agency Fund Types

### Expendable Trust Fund:

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

### Nonexpendable Trust Fund:

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

### Agency Fund:

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.

Hudson Local School District  
Combining Balance Sheet  
All Trusts and Agency Fund  
June 30, 1999

	Expendable Trust Fund	Nonexpendable Trust Fund	Agency Fund	
	Special Trust	Enoch Clark	Student Activities	Totals
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$15,122	\$0	\$58,857	\$73,979
Cash and Cash Equivalents: Nonexpendable Trust Fund	0	234	0	234
<b>Total Assets</b>	<b>15,122</b>	<b>234</b>	<b>58,857</b>	<b>74,213</b>
<b>Liabilities</b>				
Accounts Payable	0	0	442	442
Due to Students	0	0	58,415	58,415
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>58,857</b>	<b>58,857</b>
<b>Fund Equity</b>				
Fund Balance:				
Reserved for Encumbrances	347	0	0	347
Reserved for Endowments	0	200	0	200
Unreserved:				
Undesignated	14,775	34	0	14,809
<b>Total Fund Equity</b>	<b>15,122</b>	<b>234</b>	<b>0</b>	<b>15,356</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$15,122</b>	<b>\$234</b>	<b>\$58,857</b>	<b>\$74,213</b>

Hudson Local School District  
Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual (Budget Basis)  
Special Expendable Trust Fund  
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Gifts and Donations	\$32,422	\$32,422	\$0
Total Revenues	32,422	32,422	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,294	0	1,294
Capital Outlay - New	895	0	895
Total Instruction	2,189	0	2,189
Support Services:			
Instructional Staff:			
Materials and Supplies	9,207	9,207	0
Capital Outlay - New	1,044	1,044	0
Total Instructional Staff	10,251	10,251	0
Operation and Maintenance of Plant:			
Materials and Supplies	1,729	186	1,543
Capital Outlay - New	1,900	0	1,900
Total Operation and Maintenance of Plant	3,629	186	3,443
Total Support Services	13,880	10,437	3,443
Operation of Non-Instructional Services:			
Community Services:			
Capital Outlay - New	3,679	3,598	81
Other	30,938	23,950	6,988
Total Operation of Non-Instructional Services	34,617	27,548	7,069
Total Expenditures	50,686	37,985	12,701
(Deficiency) of Revenues (Under) Expenditures	(18,264)	(5,563)	12,701
<u>Other Financing Sources (Uses)</u>			
Advances Out	0	(500)	(500)
Operating Transfers In	800	800	0
Operating Transfers Out	(500)	(500)	0
Total Other Financing Sources (Uses)	300	(200)	(500)
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	(17,964)	(5,763)	12,201
Fund Balance at Beginning of Year	20,352	20,352	0
Prior Year Encumbrances Appropriated	186	186	0
Fund Balance at End of Year	\$2,574	\$14,775	\$12,201

Hudson Local School District  
 Schedule of Revenues, Expenses and Changes  
 In Fund Balance - Budget and Actual (Budget Basis)  
 Enoch Clark Nonexpendable Trust Fund  
 For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Interest	\$3	\$3	\$0
Total Revenues	3	3	0
<b>Expenses</b>			
Materials and Supplies:			
Instructional Staff Support Services	231	0	231
Total Expenses	231	0	231
Excess of Revenues Over (Under) Expenses	(228)	3	231
Fund Equity at Beginning of Year	231	231	0
Fund Equity at End of Year	\$3	\$234	\$231

Hudson Local School District  
 Combining Statement of Changes in Assets and Liabilities  
 Agency Fund  
 For the Fiscal Year Ended June 30, 1999

	Balance 06/30/98	Additions	Reductions	Balance 06/30/99
<b>Student Activities</b>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$46,865	\$62,238	\$50,246	\$58,857
<b>Total Assets</b>	<u>46,865</u>	<u>62,238</u>	<u>50,246</u>	<u>58,857</u>
<u>Liabilities</u>				
Accounts Payable	2,031	442	2,031	442
Due to Students	44,834	64,269	50,688	58,415
<b>Total Liabilities</b>	<u>\$46,865</u>	<u>\$64,711</u>	<u>\$52,719</u>	<u>\$58,857</u>

### General Fixed Asset Account Group

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

**Hudson Local School District**  
**Schedule of Changes in General Fixed Assets**  
**By Function**  
**For the Fiscal Year Ended June 30, 1999**

	General Fixed Assets 06/30/98	Additions	Reductions	General Fixed Assets 06/30/99
Instruction	\$54,598,885	\$2,189,825	\$76,683	\$56,712,027
Support Services:				
Pupil Support	88,107	32,543	599	120,051
Instructional Support	783,908	53,718	2,800	834,826
Administration	353,956	41,893	1,123	394,726
Fiscal	58,958	9,180	0	68,138
Business	16,778	968	0	17,746
Operation and Maintenance of Plant Services	1,839,149	356,983	46,085	2,150,047
Pupil Transportation	2,069,897	275,032	28,281	2,316,648
Operation of Non-Instructional Services	7,372	2,700	0	10,072
Extracurricular Activities	40,727	31,448	1,300	70,875
Total General Fixed Assets	<u>\$59,857,737</u>	<u>\$2,994,290</u>	<u>\$156,871</u>	<u>\$62,695,156</u>

Hudson Local School District  
Schedule of General Fixed Assets  
By Source  
June 30, 1999

---

General Fixed Assets

Land	\$2,442,177
Buildings and Improvements	43,142,771
Furniture and Equipment	14,449,211
Textbooks	<u>2,660,997</u>
Total General Fixed Assets	<u>\$62,695,156</u>

Investments in General Fixed Assets

Balance Prior to 1999	\$59,857,737
Acquisitions During 1999:	
General Fund	1,522,475
Special Revenue	243,557
Capital Projects	1,224,676
Expendable Trust	3,582
Disposals During 1999	<u>(156,871)</u>
Total Investments in General Fixed Assets	<u>\$62,695,156</u>



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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990 (1)
Taxes	\$25,655,233	\$24,113,198	\$23,257,271	\$21,614,202	\$22,882,703	\$16,699,074	\$17,082,398	\$15,100,213	\$16,611,329	\$9,933,235
Intergovernmental	9,430,686	8,390,748	8,065,847	8,201,494	7,472,978	7,014,656	6,632,721	6,199,742	6,064,372	5,036,026
Interest	690,662	770,579	617,655	504,660	326,911	193,391	18,029	133,551	237,384	379,076
Tuition and Fees	27,772	5,632	0	1,162	4,342	4,325	13,897	12,675	10,135	3,882
Miscellaneous	75,539	243,052	41,061	35,439	55,480	823,401	87,219	51,772	24,246	40,068
<b>Total</b>	<b>\$35,879,892</b>	<b>\$33,523,209</b>	<b>\$31,981,834</b>	<b>\$30,356,957</b>	<b>\$30,742,414</b>	<b>\$24,734,847</b>	<b>\$23,834,264</b>	<b>\$21,497,953</b>	<b>\$22,947,466</b>	<b>\$15,392,287</b>

Source: School District Financial Records

(1) 1990 reported on cash basis; all other years on GAAP basis.

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

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990 (2)
Current:										
Instruction: (1)										
Regular	\$18,388,031	\$16,421,033	\$15,179,369	\$17,704,733	\$16,569,627	\$15,658,997	\$14,342,754	\$13,422,906	\$11,778,704	\$9,995,636
Special	2,429,968	2,147,271	2,240,310							
Vocational	268,529	274,247	276,768							
Other	319,649	250,554	674,792							
Support Services:										
Pupils	2,079,950	1,969,795	1,742,604	1,612,974	1,331,443	1,337,217	1,161,321	1,033,090		730,405
Instructional Staff	2,111,379	1,687,631	1,609,138	1,504,269	1,443,549	1,307,068	1,167,775	1,009,566	891,000	795,555
Board of Education	47,648	453,348	53,721	19,629	31,614	19,533	25,346	17,629	13,329	12,856
Administration	2,770,697	2,500,297	1,981,103	1,901,711	1,679,069	1,574,185	1,605,486	1,234,439	1,192,878	1,124,793
Fiscal	879,546	788,868	742,788	486,556	644,612	575,079	565,165	491,495	1,436,019	449,864
Business	256,249	957,208	1,244,063	201,579	178,779	213,778	184,877	240,291	323,638	203,988
Operation and Maintenance of Plant	3,414,447	3,108,362	2,843,994	3,000,095	2,722,160	2,929,649	2,843,977	2,255,332	2,106,149	1,853,811
Pupil Transportation	2,446,861	2,393,025	1,703,668	1,424,791	1,462,512	1,743,428	1,457,475	876,009	928,636	618,848
Central	195,795	115,640	102,794	87,216	49,825	43,812	44,091	47,638	42,712	36,719
Extracurricular Activities	484,052	416,895	389,151	373,693	342,218	347,531	360,545	315,438	255,805	260,933
Capital Outlay	58,876								177	
Debt Service:										
Principal									6,678	
Interest									387	
<b>Total</b>	<b>\$36,151,677</b>	<b>\$33,484,174</b>	<b>\$30,784,263</b>	<b>\$28,317,246</b>	<b>\$26,455,408</b>	<b>\$25,750,277</b>	<b>\$23,758,812</b>	<b>\$20,943,833</b>	<b>\$18,976,112</b>	<b>\$16,083,408</b>

Source: School District Financial Records

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

(2) 1990 reported on cash basis; all other years on GAAP basis.

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

Year (2)	Current Levy	Current Collection	Percent of		Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy		Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Total Levy
			Current Levy Collected	Delinquent Collection			Current Levy	Delinquent Taxes (3)		
1998	\$29,689,039	\$28,533,435	96.1%	\$721,169	\$29,254,604	98.5%	\$1,632,424	5.5%		
1997	29,561,314	28,808,054	97.5%	686,001	29,494,055	99.8%	1,163,164	3.9%		
1996	29,108,656	28,517,648	98.0%	705,577	29,223,225	100.4%	1,030,397	3.5%		
1995	28,032,062	27,337,542	97.5%	815,571	28,153,113	100.4%	1,191,059	4.2%		
1994	23,139,133	22,378,712	96.7%	711,613	23,090,325	99.8%	1,121,744	4.8%		
1993	22,869,547	21,967,541	96.1%	717,566	22,685,107	99.2%	1,719,959	7.5%		
1992	20,538,142	19,780,053	96.3%	651,493	20,431,546	99.5%	1,515,055	7.4%		
1991	17,388,084	16,255,525	93.5%	605,547	16,861,072	97.0%	2,069,124	11.9%		
1990	13,577,315	12,855,254	94.7%	952,124	13,807,378	101.7%	1,190,671	8.8%		
1989	10,873,146	10,374,378	95.4%	1,104,004	11,478,382	105.6%	1,682,980	15.5%		

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility		Tangible Personal	Total Assessed Value (1)	Estimated Actual Value	Ratio
			Personal	Personal				
1999	\$565,688,580	\$83,105,800	\$21,325,230	\$54,397,655	\$724,517,265	\$2,092,614,079	35%	
1998	553,056,210	84,450,720	20,935,380	55,260,291	713,702,601	2,063,424,915	35%	
1997	539,794,760	78,755,000	22,172,180	55,260,291	695,982,231	2,010,498,373	35%	
1996	453,508,940	72,163,940	24,066,610	53,207,816	602,947,306	1,738,820,388	35%	
1995	432,408,720	71,912,150	27,350,960	47,775,793	579,447,623	1,659,370,903	35%	
1994	411,744,620	80,543,250	23,553,940	40,588,997	556,430,807	1,592,446,699	35%	
1993	367,418,640	73,042,190	22,540,290	40,516,445	503,517,565	1,443,065,584	35%	
1992	344,975,120	67,680,260	21,077,200	39,994,183	473,726,763	1,353,916,352	35%	
1991	320,101,850	69,683,740	19,291,890	35,738,889	444,816,369	1,265,331,260	35%	
1990	249,264,050	60,926,420	18,541,130	30,593,147	359,324,747	1,014,060,855	35%	

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

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

Real Estate is assessed at 35 percent of actual value<sup>1</sup>

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

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

# *Statistical Section*



*S  
t  
a  
t  
i  
s  
t  
i  
c  
a  
l*

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

Year		School Levy	County Levy	City/Village Township	Valley Fire District	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
1999	Boston Township	\$76.13	\$12.27	\$8.48	\$6.50	\$103.38	\$3.40	\$0.45	\$0.00	\$3.85
	Boston Heights Village	76.13	12.27	8.10	0.00	96.50	3.40	0.45	0.00	3.85
	Hudson City	76.13	12.27	8.39	0.00	96.79	3.40	0.45	1.72	5.57
	Cuyahoga Falls City	76.13	12.27	11.00	0.00	99.40	3.40	0.45	0.00	3.85
1998	Boston Township	70.13	11.65	8.48	6.50	96.76	2.90	0.45	0.00	3.35
	Boston Heights Village	70.13	11.65	8.10	0.00	89.88	2.90	0.45	0.00	3.35
	Hudson City	70.13	11.65	7.82	0.00	89.60	2.90	0.45	1.15	4.50
	Cuyahoga Falls City	70.13	11.65	12.00	0.00	93.78	2.90	0.45	0.00	3.35
1997	Boston Township	70.73	11.39	8.48	8.00	98.60	3.50	0.49	0.00	3.99
	Boston Heights Village	70.73	11.39	8.10	0.00	90.22	3.50	0.49	0.00	3.99
	Hudson City	70.73	11.39	7.03	0.00	89.15	3.50	0.49	0.36	4.35
	Cuyahoga Falls City	70.73	11.39	12.00	0.00	94.12	3.50	0.49	0.00	3.99
1996	Boston Township	72.23	13.99	1.48	5.50	93.20	5.00	0.60	0.00	5.60
	Boston Heights Village	72.23	13.99	8.10	0.00	94.32	5.00	0.60	0.00	5.60
	Hudson City	72.23	13.99	7.11	0.00	93.33	5.00	0.60	0.44	6.04
	Cuyahoga Falls City	72.23	13.99	12.00	0.00	98.22	5.00	0.60	0.00	5.60
1995	Boston Township	72.24	14.16	1.48	5.50	93.38	5.01	0.90	0.00	5.91
	Boston Heights Village	72.24	14.16	8.10	0.00	94.50	5.01	0.90	0.00	5.91
	Hudson City	72.24	14.16	7.11	0.00	93.51	5.01	0.90	0.44	6.35
	Cuyahoga Falls City	72.24	14.16	12.00	0.00	98.40	5.01	0.90	0.00	5.91
1994	Boston Township	66.15	12.31	1.48	5.50	85.44	4.42	0.67	0.00	5.09
	Boston Heights Village	66.15	12.31	5.60	0.00	84.06	4.42	0.67	0.00	5.09
	Hudson Township	66.15	12.31	12.45	0.00	90.91	4.42	0.67	0.20	5.29
	Cuyahoga Falls City	66.15	12.31	12.00	0.00	90.46	4.42	0.67	0.00	5.09
	Hudson Village/Township	66.15	12.31	6.87	0.00	85.33	4.42	0.67	0.20	5.29
1993	Boston Township	66.65	12.59	1.48	5.50	86.22	4.92	0.69	0.00	5.61
	Boston Heights Village	66.65	12.59	5.60	0.00	84.84	4.92	0.69	0.00	5.61
	Hudson City	66.65	12.59	12.30	0.00	91.54	4.92	0.69	0.55	6.16
	Cuyahoga Falls City	66.65	12.59	12.00	0.00	91.24	4.92	0.69	0.00	5.61
	Hudson Village/Township	66.65	12.59	6.81	0.00	86.05	4.92	0.69	0.64	6.25
1992	Boston Township	64.77	12.59	1.48	4.50	83.34	6.04	0.42	0.00	6.46
	Boston Heights Village	64.77	12.59	5.60	0.00	82.96	6.04	0.42	0.00	6.46
	Hudson City	64.77	12.59	12.37	0.00	89.73	6.04	0.42	0.60	7.06
	Cuyahoga Falls City	64.77	12.59	12.00	0.00	89.36	6.04	0.42	0.00	6.46
	Hudson Village/Township	64.77	12.59	6.89	0.00	84.25	6.04	0.42	0.72	7.18
1991	Boston Township	60.36	12.59	1.48	4.50	78.93	4.65	0.61	0.00	5.26
	Boston Heights Village	60.36	12.59	5.60	0.00	78.55	4.65	0.61	0.00	5.26
	Hudson Township	60.36	12.59	12.04	0.00	84.99	4.65	0.61	0.29	5.55
	Hudson Village/Twp	60.36	12.59	6.54	0.00	79.49	4.65	0.61	0.37	5.63
	Cuyahoga Falls City	60.36	12.59	12.00	0.00	84.95	4.65	0.61	0.00	5.26
1990	Boston Township	54.20	12.34	1.48	4.50	72.52	5.27	0.63	0.00	5.90
	Boston Heights Village	54.20	12.34	5.60	0.00	72.14	5.27	0.63	0.00	5.90
	Hudson Township	54.20	12.34	12.06	0.00	78.60	5.27	0.63	0.31	6.21
	Hudson Village/Twp	54.20	12.34	6.64	0.00	73.18	5.27	0.63	0.47	6.37
	Cuyahoga Falls City	54.20	12.34	14.70	0.00	81.24	5.27	0.63	0.00	5.90

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

**Hudson Local School District**  
**Computation of Legal Debt Margin**  
**June 30, 1999**

---

Assessed Valuation (1999)	<u>\$724,517,265</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>\$65,206,554</u>
Outstanding Debt:	
General Obligation Bonded Debt	19,288,729
Energy Conservation Loan	145,000
Less: Amount Available in Debt Service Fund	<u>1,098,259</u>
Total Outstanding Debt	<u>18,335,470</u>
Less Exemptions:	
Energy Conservation Bonded Debt	1,498,849
Energy Conservation Loan	<u>145,000</u>
Total Exemptions	<u>1,643,849</u>
Amount of Debt Applicable to Debt Limit	<u>16,691,621</u>
<i>Voted Debt Margin</i>	<u>\$48,514,933</u>
Bonded Debt Limit - .10% of Assessed Value (1)	\$724,517
Amount of Debt Applicable	<u>0</u>
<i>Unvoted Debt Margin</i>	<u>\$724,517</u>

Source: Summit County Auditor and School District Financial Records.

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

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

Year	Gross Bonded Debt (1)	Debt Service Funds Available	Net Bonded Debt	Assessed Valuation	Population (2)	Ratio of Net Debt to Assessed Value	Net Bonded Debt Per Capita
1999	\$19,288,729	\$1,098,259	\$18,190,470	\$724,517,265	21,839	2.51%	\$833
1998	21,136,880	1,354,025	19,782,855	713,702,601	21,541	2.77%	918
1997	22,771,880	1,627,737	21,144,143	695,982,231	21,247	3.04%	995
1996	22,674,880	1,404,045	21,270,835	602,947,306	20,873	3.53%	1,019
1995	24,049,880	1,819,471	22,230,409	579,447,623	19,535	3.84%	1,138
1994	25,319,880	1,969,797	23,350,083	556,430,807	19,322	4.20%	1,208
1993	26,994,880	2,069,774	24,925,106	503,517,565	19,109	4.95%	1,304
1992	27,280,000	1,266,563	26,013,437	473,726,763	18,896	5.49%	1,377
1991	27,595,000	742,209	26,852,791	444,816,369	18,683	6.04%	1,437
1990	22,835,000	137,494	22,697,506	359,324,747	17,125	6.32%	1,325

Source: Summit County Auditor and School District Financial Records.

(1) No debt is applicable to enterprise funds.

(2) Estimated by City of Hudson. 1990 estimate provided by the U.S. Census Bureau



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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
1999	\$1,848,151	\$885,790	\$2,733,941	\$36,151,677	7.56%
1998	1,635,000	878,693	2,513,693	33,484,174	7.51%
1997	1,530,000	944,880	2,474,880	30,784,263	8.04%
1996	1,375,000	1,001,220	2,376,220	28,317,246	8.39%
1995	1,270,000	1,047,460	2,317,460	26,455,408	8.76%
1994	3,305,000	2,162,720	5,467,720	25,750,277	21.23%
1993	45,000	1,362,596	1,407,596	23,758,812	5.92%
1992	475,000	1,985,992	2,460,992	20,943,833	11.75%
1991	315,000	1,803,054	2,118,054	18,976,112	11.16%
1990	235,000	784,132	1,019,132	16,083,408	6.34%

Source: School District Financial Records

**Hudson Local School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 December 31, 1998**

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Hudson Local School District	\$19,288,729	100.00%	\$19,288,729
City of Hudson	8,888,000	100.00%	8,888,000
Summit County	137,850,000	7.74%	10,669,590
Metro Transit	2,225,000	7.74%	172,215
City of Cuyahoga Falls	33,197,000	0.41%	<u>136,108</u>
Total			<u>\$39,154,642</u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 1998 collection year.

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

---

Year	Population (1)	Building Permits (1)(2)	Average Family Income	State Rank	Median Family Income	State Rank
1998	21,839	99	*	*	*	*
1997	21,247	100	\$97,195	7	\$54,175	2
1996	20,873	100	89,602	9	50,516	2
1995	19,535	110	77,279	9	48,281	1
1994	19,322	122	73,953	9	46,574	2
1993	19,109	357	71,936	11	45,102	2
1992	18,896	231	71,291	9	*	*
1991	18,683	217	62,000	11	*	*
1990	17,125	271	63,855	9	*	*
1989	16,300	304	67,108	6	*	*

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

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

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

\* information not available

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

Year	Real Property Value (1)			New Construction (1)			Total	Financial Institution Deposits (2)
	Agriculture Residential	Commercial Industrial	Tax Exempt	Agriculture Residential	Commercial Industrial	Total		
1999	\$1,616,253,086	\$237,445,143	\$61,188,040	\$13,298,060	\$2,932,940	\$16,231,000	\$6,858,863,000	
1998	1,580,160,600	241,287,771	61,188,040	11,534,623	5,437,450	16,972,073	5,749,282,000	
1997	1,542,270,743	225,014,286	55,948,300	14,402,110	3,657,480	18,059,590	3,344,418,000	
1996	1,295,739,829	206,182,686	55,948,320	19,850,920	1,804,700	21,655,620	4,353,857,000	
1995	1,235,453,486	205,463,286	53,691,800	19,249,510	1,206,780	20,456,290	4,267,009,000	
1994	1,176,413,200	230,123,571	56,497,470	15,264,750	4,563,530	19,828,280	4,199,905,000	
1993	1,049,767,543	208,691,971	46,327,260	17,658,820	2,561,530	20,220,350	3,828,264,000	
1992	985,643,200	193,372,171	44,001,010	23,441,260	5,669,990	29,111,250	3,797,432,000	
1991	914,576,714	199,096,400	40,556,680	18,461,260	8,756,110	27,217,370	3,610,033,000	
1990	712,183,000	174,075,486	31,266,380	15,600,950	8,875,460	24,476,410	3,468,298,000	

Source:

(1) City of Hudson Engineering Department  
Summit County Auditor

(2) Commercial bank deposits in Summit County as of December 31 except 1999 which is as of June 30. Source is Federal Reserve Bank of Cleveland. Decline in deposits from 1997 to 1998 is the result of bank mergers where the deposits are reported in other areas.

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

\* Information not available

**Hudson Local School District  
Principal Taxpayers  
Real Estate Tax  
June 30, 1999**

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
Western Reserve Telephone	\$12,715,508 (2)	1.90%
Allstate Insurance	6,551,475	0.98%
Little Tikes	6,420,071	0.96%
Ohio Edison Company	5,256,240 (2)	0.78%
Jo-Ann Stores, Inc.	3,289,535	0.49%
Jagi Cleveland-Hudson LLC	2,624,846	0.39%
Title Guarantee & Trust - Trustee	2,554,346	0.38%
Flood Company	2,103,374	0.31%
East Ohio Gas Company	1,881,210 (2)	0.28%
Alltel Service Company	1,556,671	0.23%
Georgetown Development	1,468,383	0.22%
Lake Forest Country Club	1,454,586	0.22%
Albrecht Inc.	1,372,490	0.20%
Kobelco Stewart Bolling	1,304,100	0.19%
Country Club of Hudson	1,282,771	0.19%
Vill of Hudson - Mohawk (Alltel)	1,127,396	0.17%
Hudson Drive Properties	1,067,185	0.16%
MCI	<u>985,640</u> (2)	<u>0.15%</u>
<i>Total</i>	<u>\$55,015,827</u>	<u>8.21%</u>
 <i>Total Real Assessed Value</i>	 <u>\$670,119,610</u>	

Source: Summit County Auditor

- (1) Assessed values are for 1999.  
(2) Includes personal property.

**Hudson Local School District  
Principal Taxpayers  
Tangible Personal Property Tax  
June 30, 1999**

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Assessed Value
Newell, Inc.	\$10,084,840	18.54%
IBM Credit Corporation	6,234,300	11.46%
T.E. Clarke Ford, Inc.	5,043,020	9.27%
Swagelok Quick Connect	4,417,450	8.12%
Kobelco Stewart Bolling	4,121,280	7.58%
Morse Controls Division of IMO Industries	2,316,330	4.26%
Caliber Logistics, Inc.	2,183,170	4.01%
Alltel Corporation	1,194,340	2.20%
Ramco Specialties	975,920	1.79%
NationsRent of Ohio	968,140	1.78%
<i>Total</i>	<u>\$37,538,790</u>	<u>69.01%</u>
<i>Total Real Assessed Value</i>	<u>\$54,397,655</u>	

Source: Summit County Auditor

(1) Assessed values are for 1999.

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

School Year Ended	Number of Graduates	Average Daily Membership (ADM)	Student Attendance Rate	Full-Time Certified Staff	Full-Time Equivalent Support Staff	Full-Time Equivalent Total Staff	Attendance Rate Total Staff
1999	398	5,240	95.1	403.02	228.32	631.34	97.4
1998	335	5,140	95.5	381.35	235.13	616.44	97.7
1997	367	5,155	95.8	371.40	222.39	593.79	97.3
1996	335	5,097	95.6	354.29	205.59	559.80	97.4
1995	317	4,902	95.7	337.71	196.08	533.79	97.5
1994	268	4,734	95.5	326.77	192.95	519.72	97.6
1993	282	4,591	95.7	303.95	178.28	482.23	97.7
1992	301	4,503	*	295.31	202.00	497.31	97.7
1991	296	4,125	*	286.84	160.86	456.00	97.2
1990	254	3,848	*	270.31	154.00	429.00	97.6

Source: School District Year End Summary Report 1992 - 1999  
 School District Data Trend Report 1992 - 1997  
 School District Annual Reports  
 Staff information for 1990 and 1991 is actual headcount

\* Not available

Hudson Local School District  
 Ten Year Enrollment History  
 School Year 1989 - 1990 to School Year 1998 - 1999

Grade/Year	1989 - 1990	1990 - 1991	1991 - 1992	1992 - 1993	1993 - 1994	1994 - 1995	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999
PS	10	13	9	12	22	44	42	50	47	43
K	282	347	345	332	402	376	388	385	388	350
1	282	346	388	376	360	439	426	415	408	419
2	316	304	362	413	398	391	435	428	410	399
3	312	341	336	368	421	411	418	444	429	419
4	320	350	360	366	395	447	432	428	437	444
5	337	344	374	389	381	416	458	449	425	451
Elementary	1,859	2,045	2,174	2,256	2,379	2,524	2,599	2,599	2,544	2,525
6	314	363	374	415	402	387	436	465	439	429
7	308	339	392	379	426	415	404	434	460	458
8	275	345	346	408	388	442	417	408	440	454
Middle	897	1,047	1,112	1,202	1,216	1,244	1,257	1,307	1,339	1,341
9	267	260	339	351	373	371	431	407	392	428
10	296	267	270	353	362	381	369	409	383	391
11	295	301	287	287	365	349	392	362	425	389
12	271	306	309	296	289	339	349	378	358	427
High	1,129	1,134	1,205	1,287	1,389	1,440	1,541	1,556	1,558	1,635
SCEC	12	10	11	17	18	4	4	6	8	5
Total	3,897	4,236	4,502	4,762	5,002	5,212	5,401	5,468	5,449	5,506

Source: School District Student Records

October Reporting Period



Hudson Local School District  
 Ten Year Enrollment Projection  
 School Year 1999 - 2000 to School Year 2008 - 2009

Grade/Year	1999 - 2000	2000 - 2001	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	2008 - 2009
PS	41	47	46	46	46	44	45	44	44	44
K	370	386	386	386	386	386	386	386	386	386
1	390	396	415	415	415	415	415	415	415	415
2	417	386	411	411	411	411	411	411	411	411
3	407	426	400	400	420	420	420	420	420	420
4	436	420	440	407	434	434	434	434	434	434
5	450	446	430	450	416	423	444	444	444	444
Elementary	2,511	2,507	2,503	2,515	2,508	2,533	2,555	2,554	2,554	2,554
6	451	452	448	432	452	418	425	446	446	446
7	426	448	449	445	429	449	415	422	443	443
8	470	431	453	454	450	434	454	420	427	448
Middle	1,347	1,331	1,350	1,331	1,331	1,301	1,294	1,288	1,316	1,337
9	454	457	420	441	442	438	423	442	409	416
10	407	429	432	397	417	418	414	399	418	386
11	389	407	432	435	400	420	421	417	403	421
12	388	388	404	429	432	397	417	418	414	399
High	1,638	1,681	1,688	1,702	1,691	1,673	1,675	1,676	1,644	1,622
SCEC	6	5	6	6	6	7	7	8	8	8
Total	5,502	5,524	5,547	5,554	5,536	5,514	5,531	5,526	5,522	5,521

Source: School District Student Records

Based on five years of Enrollment Moderated Ratios

**Hudson Local School District  
 Cost to Educate a 1998 Graduate  
 Hudson Local School District Versus State of Ohio**

---

School Year Ended	Grade	Hudson Annual per Pupil Cost	State Average
1998	12	\$6,966	\$6,232
1997	11	6,399	5,936
1996	10	5,597	5,466
1995	9	5,428	5,391
1994	8	5,377	5,241
1993	7	5,242	5,024
1992	6	4,789	4,600
1991	5	4,601	4,588
1990	4	4,267	4,475
1989	3	3,960	4,006
1988	2	3,526	3,528
1987	1	3,273	3,477
1986	Kindergarten	<u>3,157</u>	<u>3,200</u> *
Total Cost		\$62,582	\$61,164

Source: Cost per Pupil-State of Ohio Department of Education 1986 - 1992.  
 School District Profile-State of Ohio Department of Education 1993 - 1998.  
 School District Expenditure Flow Model 1997 - 1999.  
 School District Data Trend Report 1998 - 1999.

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

\* 1986 Estimated.

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

	1994 - 1995	1995 - 1996	1996 - 1997	1997 - 1998	1998 - 1999
<b>Advance Placement Tests</b>					
% of Grades Scoring a 3 or Better Out of 5	80	81	85	87	86
<b>ACT Composite Scores (Averages)</b>					
Hudson High School	23.7	24.1	23.8	24.3	23.7
National	20.8	20.9	21.0	20.8	21.0
<b>SAT Scores (Averages) (1)</b>					
Hudson High School					
Verbal	545	539	545	541	537
Mathematics	570	566	573	570	562
<b>4th Grade Proficiency Tests (2): (Percent Achieving Proficient Standard) (Tests initiated in March, 1995)</b>					
Writing	95	93	87	85	85
Reading	95	94	86	89	80
Mathematics	88	90	68	81	77
Citizenship	96	96	91	94	92
Science	*	*	*	*	74
<b>6th Grade Proficiency Tests (3): (Passing on First Attempt)</b>					
Writing	*	83	91	96	94
Reading	*	95	93	92	79
Mathematics	*	80	79	77	86
Citizenship	*	90	90	90	93
Science	*	74	67	77	74
<b>9th Grade Proficiency Tests (4): (Passing on First Attempt)</b>					
Writing	91	65	93	96	98
Reading	95	96	97	97	98
Mathematics	88	87	91	90	93
Citizenship	91	92	91	92	96
Science	*	*	*	88	94
<b>12th Grade Proficiency Tests (5): (Percent Achieving Proficient Standard)</b>					
Writing	90	89	92	96	93
Reading	90	96	97	93	89
Mathematics	92	91	92	88	82
Citizenship	91	89	93	80	81
Science	*	*	*	*	83
<b>National Merit Scholarship Program</b>					
Semi-Finalists	12	6	7	7	7
Commended	**	11	14	10	10
Percent of Graduating Seniors	3.79%	5.07%	5.72%	5.07%	4.27%

\* Not administered

\*\* Not available

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

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

(3) October passage rates.

(4) March passage rates in 1998 - 1999.

(5) 12th grade proficiency standards increased in 1998.

Source: School District Student Records



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

111 2<sup>nd</sup> Street, NW  
Fourth Floor  
Canton, Ohio 44702

Telephone: 330-438-0617  
800-443-9272

Facsimile: 330-471-0001

HUDSON LOCAL SCHOOL DISTRICT, SUMMIT COUNTY

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*  
Clerk of the Bureau

Date: JAN 11 2000