



**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO



**Auditor of State
Betty Montgomery**

88 East Broad Street
P. O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

January 21, 2003

The attached audit was conducted and prepared for release prior to the commencement of my term of office on January 13, 2003. Thus, I am releasing this audit under the signature of my predecessor.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

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

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

To the Board of Education:

We have audited the financial statements of Hudson City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 3, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 instance of noncompliance that is required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 3, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 3, 2002.

This report is intended for the information and use of the audit committee, management, 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, looping initial "J" and a long, sweeping underline.

Jim Petro
Auditor of State

December 3, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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

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

To the Board of Education:

Compliance

We have audited the compliance of Hudson City School District, Summit County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

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 internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 3, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, 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 3, 2002

**HUDSON LOCAL SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program	N/A	10.550		\$53,021		\$48,196
National School Lunch Program	03-PU-02	10.555	\$51,437		\$51,437	
Total U.S. Department of Agriculture - Child Nutrition Cluster			51,437	53,021	51,437	48,196
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education - Grants to States	6B-SF-01	84.027	95,398		143,944	
	6B-SF-02		314,543		210,549	
	6B-PM-02		25,000		22,744	
Total Special Education - Grants to States			434,941		377,237	
Special Education Preschool Grant	PG-S1-01	84.173	-		8,973	
	PG-S1-02		22,974		18,601	
Total Special Education Preschool Grant			22,974		27,574	
Total Special Education Cluster			457,915		404,811	
Innovative Education Program Strategies	C2-S1-00	84.298	5,599		25,209	
	C2-S1-01		18,608		7,422	
Total Innovative Education Program Strategies			24,207		32,631	
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-00	84.186	-		13,948	
	DR-S1-01		24,597		17,367	
Total Safe and Drug-Free Schools and Communities State Grants			24,597		31,315	
Eisenhower Professional Development State Grants	MS-S1-01	84.281	16,503		11,399	
	MS-S1-02		-		2,471	
Total Eisenhower Professional Development State Grants			16,503		13,870	
Technology Literacy Challenge Grant	TF-50-01	84.318	250,000		235,136	
<i>Passed Through Summit County Six District Educational Compact:</i>						
Vocational Education - Basic Grants to States	43836-20-C1-00	84.048	-		2,375	
<i>Passed Through Ravenna City School District:</i>						
PRISM - Vertical Team Development for Mathematics and Science	N/A	84.336	1,920		-	
Total U.S. Department of Education			775,142		720,138	
Totals			\$826,579	\$53,021	\$771,575	\$48,196

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

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

**HUDSON CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2002**

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):	Technology Literacy Challenge Grant CFDA # 84.318
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

HUDSON, OHIO

CITY SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2002

**PREPARED BY
TREASURER'S DEPARTMENT
SCOTT C. SNYDER, CPA, TREASURER**

2386 HUDSON-AURORA ROAD, HUDSON, OHIO 44236

Hudson City School District
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 research-based curriculum and extracurricular activities that will assist young people to solve problems and become productive citizens. We value the unique abilities of each child and offer varied opportunities for individual growth, character, 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. Student 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.

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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**HUDSON CITY SCHOOL DISTRICT
TREASURER'S OFFICE**

2386 Hudson-Aurora Road
Hudson, OH 44236-2322

BOARD OF EDUCATION:

Vicki S. Soukup, President
Bruce Hubach, Vice-President
James Antes
Andrew Duff
James Hackney

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

ADMINISTRATORS:

Scott C. Snyder, CPA, Treasurer
Lisa Tesar, CPA, Assistant Treasurer

December 3, 2002

Citizens and Board of Education, Hudson City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Hudson City School District (the "District") for the fiscal year ended June 30, 2002. This CAFR, which includes an opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

This report is divided into the following sections:

- ◆ *Introductory Section* includes this transmittal letter (including a list of principal officers), the District's organizational chart, and the awards certificate the District received for its 2001 CAFR.
- ◆ *Financial Section* begins with the Report of Independent Accountants and includes the general purpose financial statements, notes and the combining individual fund and account group financial statements and schedules.
- ◆ *Statistical Section* includes selected financial and demographic information, generally presented on a multi-year basis.



Copies of this report will be widely distributed throughout the 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 District's Business Advisory Council and any other interested parties.

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

The Reporting Entity

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

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

The District And Its Facilities

The 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 City School District is a rapidly growing affluent suburban district. Nearly 100 percent of the City of Hudson and portions of three other municipalities and a township are located within the 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). The 2000 Census shows the population of the City of Hudson is 22,593.

Because of the rapid growth of Hudson and the surrounding area, the District's enrollment has been increasing since 1980. The District had recorded more than 19 consecutive years of increasing enrollment until fiscal year 2000 when enrollment slowed. The District's enrollment for fiscal year-end June 30, 2002, was 5,588 students.

The 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 5.7 percent in June 2002, and the nation's unemployment rate for June 2002 was 5.9 percent. Additionally, June 2002 employment in the Akron Primary Metropolitan Statistical Area was 351,000. Specific employment figures for the Hudson City School District are not available. (Labor Force Estimates, June 2002, Ohio Bureau of Employment Services).

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

According to the latest available income data, the 2000 median Federal income per tax return for Hudson City School District residents was \$59,679. That ranks our District 1st in the State of Ohio. The 2000 average Federal income per tax return for Hudson City School District residents was \$103,696. Our District ranks 9th in the State in average Federal income per tax return.

The Hudson City School District receives 64 percent of its total governmental revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. Total assessed valuation of the District rose by 57 percent in the last ten years. The increased value in the tax duplicate is attributed to new construction (62 percent) and the balance (38 percent) to revisions in property values made by the County Auditor over the most recent ten-year period.

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

Organization Of The District

The District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio law, the District is a separate and distinct unit of government. The Hudson City School District Board of Education is a five-member board elected at-large, with staggered four-year terms.

The Board serves as the taxing authority, contracting body, policy maker, approves the annual appropriation resolution and tax budget and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars.

The following is a list of the District's Board of Education members and its principal officers:



*Principal Officials***BOARD MEMBERS**

<u>Name</u>	<u>Began</u>	<u>Expires</u>	<u>Profession</u>
Vicki Soukup President	01-01-96	12-31-03	Accountant Drew & Company
Bruce Hubach Vice President	01-01-00	12-31-03	Manufacturers Representative N.T. Ruddock Company
James Antes	01-01-02	12-31-05	Computer Application & Business Analyst Goodyear Tire & Rubber Company
Andrew Duff	01-01-02	12-31-05	Attorney Amer Cunningham Co., L.P.A.
James Hackney	01-01-02	12-31-05	Senior Vice President of Operations America's Body Company

ADMINISTRATION

<u>Name</u>	<u>Position</u>
Joseph P. Siegferth	Superintendent
Maryann Wolowiec	Assistant Superintendent
Linda Jones	Director of Human Resources
Philip Wagner	Director of Special Services
Patricia Picard	Director of Curriculum and Instruction
Daniel Seiberling	Director of Pupil Services
Paul Smith	Business Manager
Scott C. Snyder	Treasurer



Employee Relations

The District currently has approximately 723 full-time and part-time employees. Two labor organizations represent District employees. Certified employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Hudson Education Association (HEA). Support employees, including cooks, custodians, educational aides and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees Local 372 (OAPSE).

Services Provided

The District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The District contracts out its transportation of students. During the 2001-02 fiscal year, the District's fleet of 43 buses traveled 2,558 miles each day providing transportation services to 3,675 public and 268 private and parochial students. The Food Service Department served an average of 4,118 meals daily for a total of 733,086 meals annually through the District's school lunchrooms.

In addition to transportation and school lunch support services offered to children in the District, guidance, special education, (including school psychology services) and health services are available free of charge. Guidance services support the school environment and are designed to help students achieve a well-adjusted social life. Special education services, including school psychology services, are provided for all 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 District program.

At the center of the District's services are the instructional programs. The District offers regular instructional programs daily to students in grades pre-kindergarten to twelve. The District served 583 identified students who need specially designed programs. These students received services through the wide array of special education programs offered in the District.

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

Major Curricular Initiatives - Fiscal Year 2002

Hudson City School District's Strategic Plan and Mission Statement continue to be the framework for continuous improvement. An area of focus continues to be quality professional development that results in increased student achievement.

Language arts, and particularly elementary reading, have been a focus of study. All K-6 language arts teachers had 4 days to study key research findings in reading in a high-level, professional development curriculum known as Core Curriculum.



District-wide, training sessions were held on running records, a new spelling program, and phonemic awareness. Evamere, Hudson Elementary and McDowell Elementary building each hosted four family literacy nights for parents.

TEAM Reading, which focuses on small group instruction at the instructional reading level for each group, was piloted at Evamere.

The language arts/social studies and math/science coordinators co-facilitated the fourth grade teachers in developing a year-long curriculum map covering all the core content areas.

At the high school level, a new Broadcast Journalism course was successfully implemented, and print journalism returned to the curriculum. In social studies, the high school implemented U.S. History as part of the ninth grade curriculum. K-12 teachers are awaiting the release of the new social studies standards in December 2002 before making any major curricular changes.

In math, a major focus was the evaluation and implementation of new research-based curricular materials for middle school mathematics. Several planning meetings were held throughout the school year, and professional development was held in the summer to support the teachers in preparation for this change. In the spring, the district hosted a parent night on the new curriculum.

Other math-related activities include: new teacher in-service, mini-algorithm in-service for 4th grade teachers, meetings between the middle school and high school math departments, the rewriting of all end-of-year math tests, parent math nights for kindergarten and first grade, K-5 elementary math, and pre-algebra accelerated sixth grade math.

At the high school, the Carnegie Melon Cognitive Tutor Algebra pilot continues. Also the mathematics department has formed a study group using the Annenberg Foundation professional development tapes.

In science, the fourth grade science instructional guide was completed, and minor curricular changes were made to grades 3, 4 and 6 courses of study. End-of-year test re-writes were completed based on the course of study revisions.

High school Ecology teachers met with City officials to work on incorporating Hudson's Wellhead Protection Plan into the science curriculum.

Professional development time was provided for seventh and eighth grade science teachers to learn how to use the Pasco scientific probes and how to develop investigations with the probes.

A high proportion of our students are identified as gifted ranging from 30-40% over the past few years. One of the accomplished goals this year has been in the area of training music and art teachers in the identification of children gifted in the fine and performing arts.

REACH teachers of gifted children served as presenters and facilitators in the district-wide programs for differentiation and questioning strategies. REACH teachers and regular education teachers studied the topic of differentiation together through workshops outside the district as well. The REACH coordinator supported classroom and gifted teachers in their planning efforts by providing them collaboration time.



Implementation of Written Education Plans (WEPs) occurred for all K-8 students who are identified as gifted. Midwest Talent Search communication with parents of qualifying students for SAT in grades 6, 7, and 8 was provided. There was an increase in the number of high school students doing independent studies through the REACH office. The REACH coordinator provided support for girls attending the Math and Science Diane Burbick Summer Experience as well as for students attending the Six District Leadership Conference.

In the media services area, hardware and software were purchased and in-services provided to support integrating information literacy skills across the K-12 curriculum. Additionally, the media specialists coordinated building learning goals with library goals and worked with teachers to develop Pathfinder web pages to find internet sources for students both at home and school to support curriculum areas. Also the media specialists were instrumental in supporting the installation of a district-wide video network with distance learning carts.

In the K-12 area of technology, many projects supported the integration of technology into the curriculum ranging from graduate courses to released-time staff development. Additionally, technology staff co-facilitated language arts sessions using software such as Kidspiration to improve student writing.

At the 3rd grade level, an Elementary Keyboarding program was successfully implemented by teachers who, with the support of the Technology Coordinator K-12, planned the project over the summer. While teachers introduce students to the project, students and family work on the keyboarding at home. Additional learning opportunities were provided for special education aides as well.

Several community-related technology projects occurred as well ranging from the local cable television program channel helping in the multi-media graduate courses, parents helping with the 3rd grade keyboarding initiative, a local grocery store “Apples for Students” project providing new hardware, PTO grants, and PTO collecting used printer cartridges to provide new hardware.

The Dodie Snyder Grant awarded almost \$5,000 to a classroom teacher and technology coordinator for a Palm personal digital assistant (PDA) pilot geared at using the smaller technology to improve student learning.

Through the Ohio SchoolNet Office teachers completed the Biennial Educational Technology Assessment (BETA) online that enables us to receive \$85,000 in funds from SchoolNet. We received additional funding from ONENet Grant and PRIASE Grant, as well as being awarded a \$250,000 Raising the Bar Round 5 Grant. This grant successfully completed the video component of the district’s goal of video, voice, and data in every classroom.

The middle school was a major focus for hardware acquisition this year. Sixth grade teachers completed the technology competencies required by the state and wrote units of study within which to use the competencies.

At the high school level, technology was adapted to support the math Cognitive Tutor pilot. New classrooms were provided with hardware, and a replacement cycle is being replaced to support current curricular needs.



Staff development at the middle and high school occurred in many ways. At the high school embedded time was used to integrate technology into the content area curricula. The middle school teachers received help in developing web pages for posting student homework, projects, etc.

Major Curricular Initiatives - Fiscal Year 2003

- Peer-coaching as a professional development model will be implemented with K-6 language arts teachers.
- Continued parent curriculum nights will occur.
- The implementation of a new spelling program in grades 2-5.
- Teachers will be reading the language arts standards and will begin the pre-work on the course of study writing.
- Graduate courses in language arts, math, and technology will be provided.
- Content-area reading will be the focus of study for middle school teachers
- Second-year implementation activities of the new curricula at the middle school level will occur.
- Preparation of curricula, materials, and instructional strategies for the Ohio Graduation Test will occur.
- Preparation of curricula, materials, and instructional strategies for the 3rd Grade Reading will occur.
- In math, teachers will be reading the new state standards and comparing them to our course of study, while in science, the teachers will be reading the new standards and beginning the pre-work on the course of study writing.
- The media specialists will work with the language arts and social studies teachers to choose an information literacy skills model that applies to the Hudson City Schools curricula.
- The media specialists will also work with the implementation of the closed circuit cable system that supports teacher and student learning.
- The 3rd grade-keyboarding pilot will be continued in 3rd grade and expanded to 4th grade. It will remain a family-school project.
- Software and in-service will be provided that will help teachers differentiate instruction for all levels of students.
- Our equipment K-12 replacement cycle will continue to meet the curricular and student needs.



- A technology focus will continue to provide the right hardware/software at the point of instruction to provide integration in the content areas.
- In the area of instruction of gifted students, we will continue to promote and support opportunities for REACH teachers to be consultants to teachers of high ability students.
- At the high school level, we will widen the scope and increase numbers of students involved in Independent Studies.
- Also at the high school level, we will “re-institute” the literary magazine and attempt to increase student submissions.
- Additional regular education teachers will attend workshops outside the district with nationally known experts of differentiation.
- The content-area district coordinators will attend national conferences to provide professional development that can be shared with teachers.

Financial Information

Internal Accounting and Budgetary Control

The 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 District’s proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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



At the beginning of each fiscal year, the Board of Education adopts a permanent appropriation measure for the fiscal year. The permanent appropriation measure is adopted upon receipt from the County Auditor of an Amended Certificate of Estimated Resources based on final assessed values and tax rates, which is usually received before the beginning of the fiscal year.

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

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

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds and account groups utilized by the District are fully described in Note 2 of the financial statements. Additional information on the 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, 2002 and comparisons to the last fiscal year. The 2001 amount for "other local revenue" have been restated by \$50,194 to exclude fiduciary operations that were included in the prior year.

<i>Revenue</i>	<i>2001</i>	<i>2002</i>	<i>Increase or (Decrease)</i>	<i>Percent Increase or (Decrease)</i>
<i>Property and Other Local Taxes</i>	\$32,379,327	\$32,835,352	\$456,025	1.4%
<i>Intergovernmental</i>	14,027,866	17,463,589	3,435,589	24.5
<i>Earnings on Investments</i>	812,607	428,364	(384,243)	(47.3)
<i>Tuition and Fees</i>	156,173	87,709	(68,464)	(43.8)
<i>Extracurricular Activities</i>	430,899	431,801	902	0.2
<i>Other Local Revenue</i>	244,905	311,373	66,468	27.1
<i>Intermediate Sources</i>	6,064	26,625	20,561	339.1
<i>Total Revenues</i>	<u>\$48,057,841</u>	<u>\$51,584,813</u>	<u>\$3,526,838</u>	7.3%



INTRODUCTION

Local property tax revenue is the major funding component of the District, making up about 64 percent of total governmental funds revenue. Approximately 89 percent of tax revenue is utilized for general fund operations, 8 percent for debt service fund activities and 3 percent 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 District. The State Foundation Funds are controlled by the State Legislature. These intergovernmental funds provide about 34 percent of the District's general fund revenue. The increase from prior year is due to the repeal of the State Foundation Funding cap by House Bill 94, which became effective August 1, 2001. By removing the funding cap, the District received approximately \$3,000,000 more in funding from the State of Ohio through the Foundation program. The intergovernmental revenues reported for fiscal 2002 will be a representative base of intergovernmental revenues to be collected in future years.

Future state revenue estimates are not likely to change much from the above scenario. The Ohio Supreme Court has identified required modifications to the school funding plan in order for the plan to be considered constitutional.

Investment earnings decreased from prior year due to an overall economic downturn nationwide which has resulted in lower investment earnings. The District strives to maximize investment earnings while safeguarding the District's assets.

Tuition and fees revenue include tuition charged for enrolled students residing out of the 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.

The following schedule represents a summary of all governmental expenditures of general, special revenue, debt service and capital projects funds for the fiscal year ended June 30, 2002, and comparisons to last fiscal year:

<i>Expenditures</i>	<i>2001</i>	<i>2002</i>	<i>Increase or (Decrease)</i>	<i>Percent Increase or (Decrease)</i>
<i>Instruction:</i>				
<i>Regular</i>	\$22,119,620	\$23,131,646	\$1,012,026	4.6%
<i>Special</i>	3,180,202	3,614,102	433,900	13.6
<i>Vocational</i>	273,897	256,132	(17,765)	(6.5)
<i>Other</i>	<u>584,508</u>	<u>585,560</u>	<u>1,052</u>	0.2
	<u>26,158,227</u>	<u>27,587,440</u>	<u>1,429,213</u>	5.5%



<u>Expenditures</u>	2001	2002	Increase or (Decrease)	Percent Increase or (Decrease)
<u>Support Services:</u>				
<i>Pupils</i>	\$ 3,042,400	\$ 3,405,934	\$ 363,534	11.9%
<i>Instructional Staff</i>	2,774,146	3,244,951	470,805	17.0
<i>Board of Education</i>	40,738	41,542	804	2.0
<i>Administration</i>	3,459,983	3,530,063	70,080	2.0
<i>Fiscal</i>	1,014,090	1,037,771	23,681	2.3
<i>Business</i>	305,004	321,865	16,861	5.5
<i>Operation and Maintenance of Plant</i>	4,125,271	4,087,462	(37,809)	(0.9)
<i>Pupil Transportation</i>	2,638,438	2,678,118	39,680	1.5
<i>Central</i>	340,186	353,803	13,617	4.0
<i>Operation of Non-Instructional Services</i>	15,901	23,997	8,096	50.9
<i>Extracurricular Activities</i>	979,594	1,054,493	74,899	7.6
<i>Facilities Acquisition and Construction</i>	<u>1,447,957</u>	<u>788,903</u>	<u>(659,054)</u>	<u>(45.5)</u>
	20,183,708	20,568,902	385,194	1.9%
<u>Debt Service:</u>				
<i>Principal Retirement</i>	2,011,826	2,069,200	57,374	2.9
<i>Interest and Fiscal Charges</i>	<u>712,317</u>	<u>612,586</u>	<u>(99,731)</u>	<u>(14.0)</u>
TOTAL	<u>\$49,066,078</u>	<u>\$50,838,128</u>	<u>\$1,772,050</u>	3.6%

Instruction expenditures totaled \$27,587,440 and include the salaries and benefits of teachers, textbooks, classroom supplies and classroom equipment. Contracted salaries, additions to staff and inflationary factors contributed to the increase in fiscal 2001-02.

Support services expenditures totaled \$20,568,902 for fiscal year 2002. Significant increases in support services occurred in the areas of Pupils and Instructional Staff. Pupils increased due to additions to staff, contracted salaries and inflation. Instructional Staff expenditures increased due to additions to staff, contracted salaries, inflation and expanded professional development activities. The decrease in Facilities Acquisition and Construction was due to a decrease in technology enhancement spending, most of which was incurred in the prior year.

General Fund Balance The fund balance of the general fund increased 16.2 percent from \$3,130,881 at June 30, 2001, to \$3,636,818 at June 30, 2002. This increase is due to the increase in Intergovernmental Revenue due to the more aggressive pursuit of State and Federal Grants.

Proprietary Fund Operations The District operated several enterprise activities in fiscal year 2002 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 \$101,102 in fiscal year 2002 increasing retained earnings from \$737,426 at June 30, 2001, to \$838,528 at June 30, 2002.



Internal Service Funds These operations consist of the Intradistrict Fund, Self Insurance Fund, and Computer Library. The internal service funds incurred a net loss of \$268,677 in fiscal year 2002. The net loss is attributed to the 18% increase in medical claims paid during fiscal year 2001-02 over the previous fiscal year. Retained earnings for internal service funds decreased \$268,677 from \$303,319 at June 30, 2001, to \$34,632 at June 30, 2002.

Fiduciary Operations The Special Trust, an expendable trust fund to support scholarships and curriculum improvements, generated \$49,494 in revenues during fiscal year 2002. The Enoch Clark nonexpendable trust fund accounts for money set aside for public school purposes. The District accounts for student activities in an agency fund. Available assets for agency funds are offset by liabilities.

General Fixed Assets The General Fixed Assets of the District are used to carry on the main education and support functions of the District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2002, were \$66,998,290. These assets are accounted for at historical cost. 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 District's general long-term obligations account group. For fiscal year 2002, principal retirement for loans and bonds amounted to \$2,069,200 and the amount available for debt service increased to \$1,226,759. At June 30, 2002, the District had general obligation bonds outstanding of \$13,372,888. 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 nine percent and 0.1 percent of the total assessed value of real and personal tangible property. The District's net indebtedness of \$11,073,121 is below the legal limit of \$71,461,952 for total debt. The legal limit for unvoted debt is \$794,022. All bonds outstanding are general obligations of the District for which the full faith and credit of the District is pledged for repayment.

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

The District's health insurance committee continually reviews the District's coverage provided under our self-insured system. The District retains self-insurance reserves which meet the actuarial minimums.

Cash Management The District maintained its active cash management program, expediting the receipt of revenues and prudently investing available cash. Total interest earned during fiscal year 2002 was \$434,884. Of that total \$422,655 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 District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Deposits are insured by federal depository insurance or collateralized direct obligations of the Federal Government. All collateral on deposits meets minimum requirements. Investments held by the District during the year and at June 30, 2002, are classified as defined by the Governmental Accounting Standards Board (see Note 4 in the Notes to the General Purpose Financial Statements for further explanation of risk categories). However, as required under Ohio law, pooled securities have been pledged in an amount equal to 105 percent 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 the Ohio Auditor of State, which they conducted for the District's 2002 fiscal year. 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 City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the 3rd consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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



ASBO Certificate of Excellence

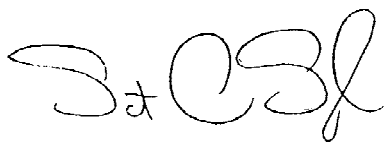
The District received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting Award for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. The award represents a significant achievement by the Hudson City School District and reflects the District's commitment to the highest standards of school system financial reporting. The District is also submitting this report to the Association of School Business Officials (ASBO) International for consideration of the Certificate of Excellence in Financial Reporting award. This award will certify that the Comprehensive Annual Financial Report conforms to the principles and standards of financial reporting as recommended and adopted by the Association of Schools Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, which will be submitted to ASBO for review, will continue to conform to ASBO's principles and standards.

Acknowledgments

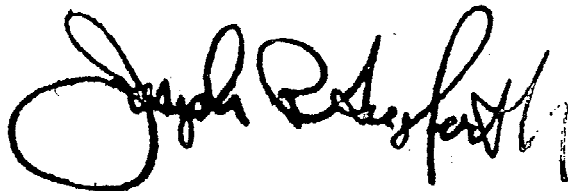
The continued publication of this report is an indication of the District's commitment to be accountable to our investors, the residents of the Hudson City School District, and to our customers, the students.

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis could not have been possible without the cooperation of the entire staff of the Treasurer's Department. Additional appreciation is extended to Mr. Paul Smith, Business Manager, for working so diligently to maintain the District's Fixed Asset Records, to Ms. Sheryl Sheatzley, Communications Management Specialist, for her work on the cover and design, and also our consultants, Trimble, Julian, & Grube Inc., for their expert guidance and assistance.

Respectfully submitted,



Scott C. Snyder, CPA
Treasurer

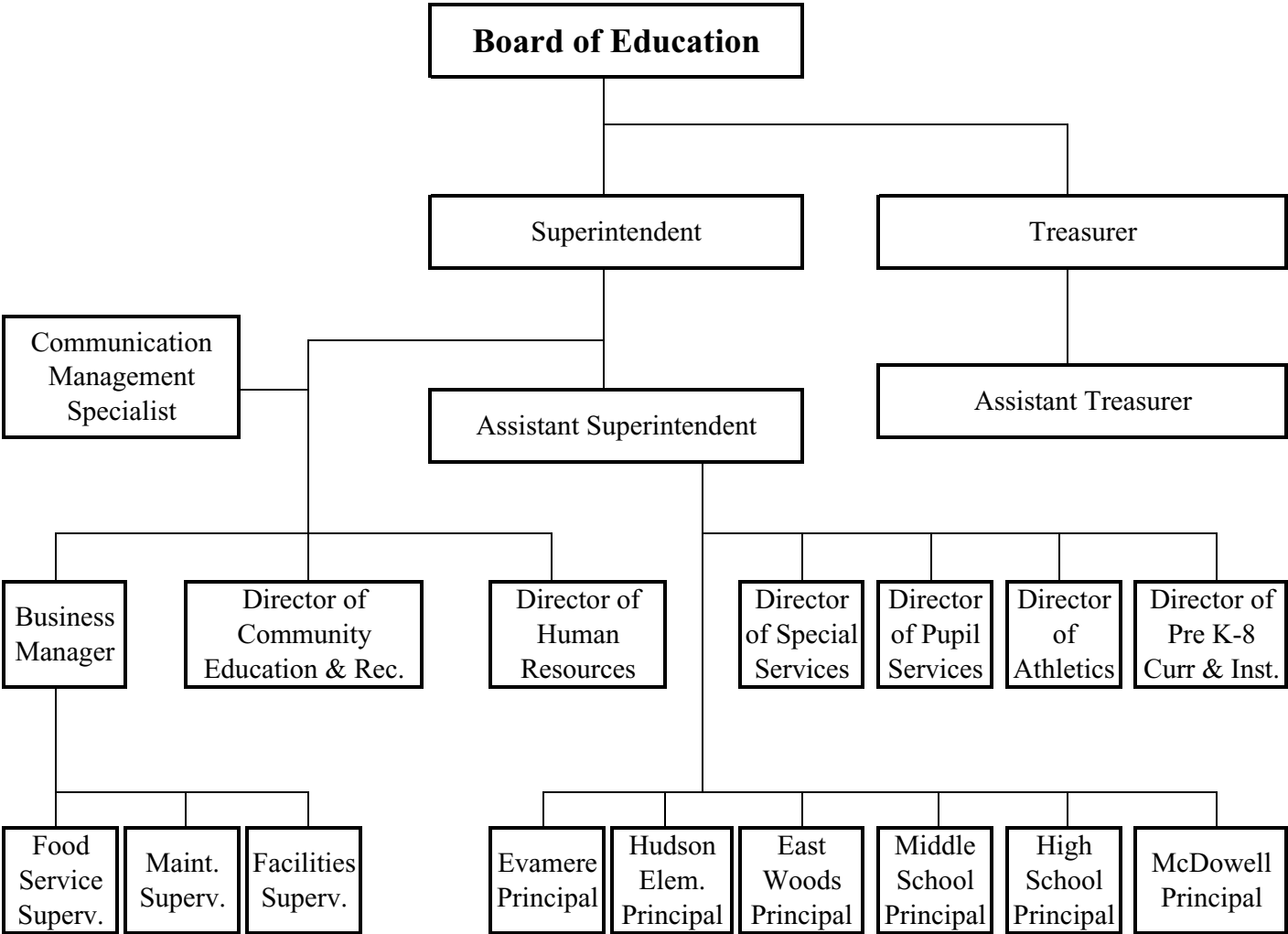


Joseph P. Siegfert
Superintendent



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

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Hudson City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Imelda Arave
President

Jeffrey L. Esler
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HUDSON CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

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

Clark J. Goshell
President

David A. Roth
Interim Executive Director

FINANCIAL SECTION

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**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of Hudson City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2002, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2002, 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Jim Petro
Auditor of State

December 3, 2002

GENERAL PURPOSE
FINANCIAL
STATEMENTS

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

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 8,082,506	\$ 757,794	\$ 1,175,946	\$ 1,260,047
Equity in pooled cash and cash equivalents - nonexpendable trust fund	-	-	-	-
Receivables (net of allowances of uncollectibles):				
Property taxes - current & delinquent	30,131,844	-	2,220,859	1,037,530
Accounts.	11,824	407	-	-
Accrued interest	28,863	-	-	-
Interfund loan receivable	9,114	-	-	-
Due from other governments	-	94,287	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale.	-	-	-	-
Prepayments	16,874	-	-	-
Property, plant and equipment (net of accumulated depreciation where applicable).	-	-	-	-
OTHER DEBITS:				
Amount available in debt service fund	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
Total assets and other debits	<u>\$ 38,281,025</u>	<u>\$ 852,488</u>	<u>\$ 3,396,805</u>	<u>\$ 2,297,577</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$ 232,866	\$ 67,491	\$ -	\$ 27,041
Accrued wages and benefits payable	4,002,807	123,636	-	-
Compensated absences payable.	27,556	-	-	-
Pension obligation payable	681,905	9,303	-	-
Interfund loan payable	-	9,114	-	-
Deferred revenue	29,481,838	91,735	2,170,046	1,013,821
Due to other governments.	217,235	6,131	-	-
Due to students	-	-	-	-
Undistributed monies	-	-	-	-
Claims payable	-	-	-	-
General obligation bonds payable.	-	-	-	-
Total liabilities	<u>34,644,207</u>	<u>307,410</u>	<u>2,170,046</u>	<u>1,040,862</u>
EQUITY AND OTHER CREDITS:				
Investment in general fixed assets.	-	-	-	-
Retained earnings: unreserved.	-	-	-	-
Fund balances:				
Reserved for encumbrances	714,789	86,374	-	424,641
Reserved for prepayments	16,874	-	-	-
Reserved for debt service	-	-	1,175,946	-
Reserved for tax revenue unavailable for appropriation. . .	678,869	-	50,813	23,709
Reserved for principal endowment	-	-	-	-
Unreserved-undesignated	2,226,286	458,704	-	808,365
Total equity and other credits	<u>3,636,818</u>	<u>545,078</u>	<u>1,226,759</u>	<u>1,256,715</u>
Total liabilities, equity and other credits.	<u>\$ 38,281,025</u>	<u>\$ 852,488</u>	<u>\$ 3,396,805</u>	<u>\$ 2,297,577</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 747,829	\$ 520,084	\$ 73,389	\$ -	\$ -	\$ 12,617,595
-	-	239	-	-	239
-	-	-	-	-	33,390,233
467	-	7,407	-	-	20,105
-	-	-	-	-	28,863
-	-	-	-	-	9,114
16,401	-	-	-	-	110,688
4,807	-	-	-	-	4,807
70,893	-	-	-	-	70,893
-	-	-	-	-	16,874
326,012	-	-	66,998,290	-	67,324,302
-	-	-	-	1,226,759	1,226,759
-	-	-	-	14,645,993	14,645,993
<u>\$ 1,166,409</u>	<u>\$ 520,084</u>	<u>\$ 81,035</u>	<u>\$ 66,998,290</u>	<u>\$ 15,872,752</u>	<u>\$ 129,466,465</u>
\$ 92,828	\$ -	\$ -	\$ -	\$ -	\$ 420,226
83,978	-	-	-	-	4,210,421
47,353	-	-	-	2,215,686	2,290,595
82,743	-	-	-	284,178	1,058,129
-	-	-	-	-	9,114
13,346	-	-	-	-	32,770,786
7,633	137	-	-	-	231,136
-	-	49,888	-	-	49,888
-	-	13,639	-	-	13,639
-	485,305	-	-	-	485,305
-	-	-	-	13,372,888	13,372,888
<u>327,881</u>	<u>485,442</u>	<u>63,527</u>	<u>-</u>	<u>15,872,752</u>	<u>54,912,127</u>
-	-	-	66,998,290	-	66,998,290
838,528	34,642	-	-	-	873,170
-	-	186	-	-	1,225,990
-	-	-	-	-	16,874
-	-	-	-	-	1,175,946
-	-	-	-	-	753,391
-	-	239	-	-	239
-	-	17,083	-	-	3,510,438
<u>838,528</u>	<u>34,642</u>	<u>17,508</u>	<u>66,998,290</u>	<u>-</u>	<u>74,554,338</u>
<u>\$ 1,166,409</u>	<u>\$ 520,084</u>	<u>\$ 81,035</u>	<u>\$ 66,998,290</u>	<u>\$ 15,872,752</u>	<u>\$ 129,466,465</u>

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

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, 2002

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$ 29,337,617	\$ -	\$ 2,478,476	\$ 1,019,259	\$ -	\$ 32,835,352
Tuition	87,709	-	-	-	-	87,709
Earnings on investments	422,655	5,709	-	-	-	428,364
Extracurricular	-	431,800	-	-	-	431,800
Other local revenues	62,432	248,942	-	-	49,494	360,868
Intermediate sources	26,625	-	-	-	-	26,625
Intergovernmental - state	14,935,392	1,221,350	261,850	143,111	-	16,561,703
Intergovernmental - federal	154,712	747,174	-	-	-	901,886
Total revenue	<u>45,027,142</u>	<u>2,654,975</u>	<u>2,740,326</u>	<u>1,162,370</u>	<u>49,494</u>	<u>51,634,307</u>
Expenditures:						
Current:						
Instruction:						
Regular	21,865,961	1,265,560	-	125	8,189	23,139,835
Special	3,582,036	32,066	-	-	-	3,614,102
Vocational	253,757	2,375	-	-	-	256,132
Other	508,892	18,000	-	58,668	-	585,560
Support services:						
Pupil	2,673,118	732,816	-	-	1,015	3,406,949
Instructional staff	3,058,581	186,370	-	-	6,994	3,251,945
Board of Education	41,542	-	-	-	-	41,542
Administration	3,369,988	160,075	-	-	-	3,530,063
Fiscal	990,308	-	32,501	14,962	-	1,037,771
Business	316,488	5,377	-	-	-	321,865
Operations and maintenance	4,087,462	-	-	-	-	4,087,462
Pupil transportation	2,678,118	-	-	-	-	2,678,118
Central	353,803	-	-	-	-	353,803
Operation of non-instructional services	-	23,997	-	-	39,880	63,877
Extracurricular activities	658,650	395,843	-	-	-	1,054,493
Facilities acquisition and construction	-	-	-	788,903	-	788,903
Debt service:						
Principal retirement	-	-	2,069,200	-	-	2,069,200
Interest and fiscal charges	-	-	612,586	-	-	612,586
Total expenditures	<u>44,438,704</u>	<u>2,822,479</u>	<u>2,714,287</u>	<u>862,658</u>	<u>56,078</u>	<u>50,894,206</u>
Excess (deficiency) of revenues over (under) expenditures	588,438	(167,504)	26,039	299,712	(6,584)	740,101
Other financing sources (uses):						
Operating transfers in	-	78,164	-	-	-	78,164
Operating transfers out	(83,164)	-	-	-	-	(83,164)
Proceeds from sale of fixed assets	663	-	-	-	-	663
Total other financing sources (uses)	<u>(82,501)</u>	<u>78,164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,337)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	505,937	(89,340)	26,039	299,712	(6,584)	735,764
Fund balances, July 1	3,130,881	634,418	1,200,720	957,003	23,853	5,946,875
Fund balances, June 30	<u>\$ 3,636,818</u>	<u>\$ 545,078</u>	<u>\$ 1,226,759</u>	<u>\$ 1,256,715</u>	<u>\$ 17,269</u>	<u>\$ 6,682,639</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL COMPARISON (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	\$ 29,652,989	\$ 29,652,989	\$ -	\$ -	\$ -	\$ -
Tuition	87,709	87,709	-	65,021	65,021	-
Earnings on investments	509,974	509,974	-	5,709	5,709	-
Extracurricular	-	-	-	434,679	434,679	-
Other local revenues	53,893	53,893	-	184,919	184,919	-
Intermediate sources	26,625	26,625	-	-	-	-
Intergovernmental - state	15,039,056	15,039,056	-	1,221,349	1,221,349	-
Intergovernmental - federal	-	-	-	775,143	775,143	-
Total revenues	<u>45,370,246</u>	<u>45,370,246</u>	<u>-</u>	<u>2,686,820</u>	<u>2,686,820</u>	<u>-</u>
Expenditures:						
Current:						
Instruction:						
Regular	21,630,860	21,530,368	100,492	1,480,364	1,462,952	17,412
Special	3,471,009	3,464,967	6,042	32,078	32,078	-
Vocational	283,891	251,182	32,709	2,375	2,375	-
Other	728,905	697,356	31,549	18,000	18,000	-
Support services:						
Pupil	2,883,635	2,680,869	202,766	784,983	744,628	40,355
Instructional staff	3,043,951	2,987,790	56,161	186,366	183,515	2,851
Board of Education	73,180	48,643	24,537	-	-	-
Administration	3,471,948	3,444,992	26,956	174,016	173,899	117
Fiscal	1,061,288	996,170	65,118	-	-	-
Business	466,859	350,751	116,108	5,377	5,377	-
Operations and maintenance	4,555,373	4,472,428	82,945	4,362	4,362	-
Pupil transportation	2,734,595	2,723,426	11,169	-	-	-
Central	426,153	371,123	55,030	-	-	-
Operation of non-instructional services	-	-	-	30,763	22,313	8,450
Extracurricular activities	691,777	654,010	37,767	590,956	419,261	171,695
Facilities acquisition and construction	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>45,523,424</u>	<u>44,674,075</u>	<u>849,349</u>	<u>3,309,640</u>	<u>3,068,760</u>	<u>240,880</u>
Excess (deficiency) of revenues over (under) expenditures	(153,178)	696,171	849,349	(622,820)	(381,940)	240,880
Other financing sources (uses):						
Advances in	-	83,126	83,126	-	21,234	21,234
Advances out	-	(50,676)	(50,676)	-	(24,242)	(24,242)
Operating transfers in	779,865	779,865	-	78,164	78,164	-
Operating transfers out	(889,864)	(863,028)	26,836	(207,352)	-	207,352
Proceeds from sale of fixed assets	663	663	-	-	-	-
Refund of prior year's receipts	-	-	-	(1,378)	(1,378)	-
Refund of prior year expenditure	18,806	18,806	-	241	241	-
Total other financing sources (uses)	<u>(90,530)</u>	<u>(31,244)</u>	<u>59,286</u>	<u>(130,325)</u>	<u>74,019</u>	<u>204,344</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(243,708)	664,927	908,635	(753,145)	(307,921)	445,224
Fund balances, July 1	5,547,985	5,547,985	-	593,369	593,369	-
Prior year encumbrances appropriated	848,991	848,991	-	327,349	327,349	-
Fund balances, June 30	<u>\$ 6,153,268</u>	<u>\$ 7,061,903</u>	<u>\$ 908,635</u>	<u>\$ 167,573</u>	<u>\$ 612,797</u>	<u>\$ 445,224</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Debt Service			Capital Projects			Total (Memorandum only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$ 2,506,882	\$ 2,506,882	\$ -	\$ 1,031,332	\$ 1,031,332	\$ -	\$ 33,191,203	\$ 33,191,203	\$ -
-	-	-	-	-	-	152,730	152,730	-
-	-	-	-	-	-	515,683	515,683	-
-	-	-	-	-	-	434,679	434,679	-
-	-	-	-	-	-	238,812	238,812	-
-	-	-	-	-	-	26,625	26,625	-
261,850	261,850	-	143,111	143,111	-	16,665,366	16,665,366	-
-	-	-	-	-	-	775,143	775,143	-
<u>2,768,732</u>	<u>2,768,732</u>	<u>-</u>	<u>1,174,443</u>	<u>1,174,443</u>	<u>-</u>	<u>52,000,241</u>	<u>52,000,241</u>	<u>-</u>
-	-	-	272	272	-	23,111,496	22,993,592	117,904
-	-	-	-	-	-	3,503,087	3,497,045	6,042
-	-	-	-	-	-	286,266	253,557	32,709
-	-	-	64,468	64,468	-	811,373	779,824	31,549
-	-	-	-	-	-	3,668,618	3,425,497	243,121
-	-	-	-	-	-	3,230,317	3,171,305	59,012
-	-	-	-	-	-	73,180	48,643	24,537
-	-	-	-	-	-	3,645,964	3,618,891	27,073
35,000	32,501	2,499	14,962	14,962	-	1,111,250	1,043,633	67,617
-	-	-	-	-	-	472,236	356,128	116,108
-	-	-	-	-	-	4,559,735	4,476,790	82,945
-	-	-	-	-	-	2,734,595	2,723,426	11,169
-	-	-	-	-	-	426,153	371,123	55,030
-	-	-	-	-	-	30,763	22,313	8,450
-	-	-	-	-	-	1,282,733	1,073,271	209,462
-	-	-	1,630,610	1,594,396	36,214	1,630,610	1,594,396	36,214
2,069,200	2,069,200	-	-	-	-	2,069,200	2,069,200	-
612,586	612,586	-	-	-	-	612,586	612,586	-
<u>2,716,786</u>	<u>2,714,287</u>	<u>2,499</u>	<u>1,710,312</u>	<u>1,674,098</u>	<u>36,214</u>	<u>53,260,162</u>	<u>52,131,220</u>	<u>1,128,942</u>
51,946	54,445	2,499	(535,869)	(499,655)	36,214	(1,259,921)	(130,979)	1,128,942
-	-	-	-	-	-	-	104,360	104,360
-	-	-	-	-	-	-	(74,918)	(74,918)
-	-	-	-	-	-	858,029	858,029	-
-	-	-	-	-	-	(1,097,216)	(863,028)	234,188
-	-	-	-	-	-	663	663	-
-	-	-	-	-	-	(1,378)	(1,378)	-
-	-	-	-	-	-	19,047	19,047	-
-	-	-	-	-	-	(220,855)	42,775	263,630
51,946	54,445	2,499	(535,869)	(499,655)	36,214	(1,480,776)	(88,204)	1,392,572
1,121,501	1,121,501	-	831,312	831,312	-	8,094,167	8,094,167	-
-	-	-	476,708	476,708	-	1,653,048	1,653,048	-
<u>\$ 1,173,447</u>	<u>\$ 1,175,946</u>	<u>\$ 2,499</u>	<u>\$ 772,151</u>	<u>\$ 808,365</u>	<u>\$ 36,214</u>	<u>\$ 8,266,439</u>	<u>\$ 9,659,011</u>	<u>\$ 1,392,572</u>

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

COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating revenues:				
Tuition and fees	\$ 36,306	\$ -	\$ -	\$ 36,306
Sales/charges for services	2,367,709	4,398,774	-	6,766,483
Other operating revenues.	7,813	-	-	7,813
	<u>2,411,828</u>	<u>4,398,774</u>	<u>-</u>	<u>6,810,602</u>
Total operating revenues				
Operating expenses:				
Personal services	1,078,596	43,204	-	1,121,800
Contract services	293,518	670,242	-	963,760
Materials and supplies	284,809	-	-	284,809
Cost of sales	735,704	-	-	735,704
Depreciation	24,385	-	-	24,385
Claims expense.	-	3,954,005	-	3,954,005
Other	11,147	-	-	11,147
	<u>2,428,159</u>	<u>4,667,451</u>	<u>-</u>	<u>7,095,610</u>
Total operating expenses				
Operating loss	(16,331)	(268,677)	-	(285,008)
Nonoperating revenues (expenses):				
Operating grants	60,439	-	-	60,439
Federal commodities	48,196	-	-	48,196
Interest revenue.	6,520	-	-	6,520
Loss on disposal of fixed assets	(2,722)	-	-	(2,722)
	<u>112,433</u>	<u>-</u>	<u>-</u>	<u>112,433</u>
Total nonoperating revenues (expenses)				
Net income (loss) before operating transfers	96,102	(268,677)	-	(172,575)
Operating transfers in	5,000	-	-	5,000
Net income (loss)	101,102	(268,677)	-	(167,575)
Retained earnings/fund balance, July 1	737,426	303,319	239	1,040,984
Retained earnings/fund balance, June 30	<u>\$ 838,528</u>	<u>\$ 34,642</u>	<u>\$ 239</u>	<u>\$ 873,409</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$ 36,306	\$ -	\$ -	\$ 36,306
Cash received from sales/service charges	2,367,242	4,418,928	-	6,786,170
Cash received from other operations	7,813	-	-	7,813
Cash payments for personal services	(1,038,714)	(44,750)	-	(1,083,464)
Cash payments for contract services	(349,112)	(669,287)	-	(1,018,399)
Cash payments for materials and supplies	(971,497)	-	-	(971,497)
Cash payments for claims	-	(4,040,734)	-	(4,040,734)
Cash payments for other expenses	(9,785)	-	-	(9,785)
Net cash provided by (used in) operating activities	<u>42,253</u>	<u>(335,843)</u>	<u>-</u>	<u>(293,590)</u>
Cash flows from noncapital financing activities:				
Cash received from operating grants	52,032	-	-	52,032
Cash received from operating transfers	5,000	-	-	5,000
Cash received from interfund loans	13,201	491,917	-	505,118
Cash used in repayment of interfund loans	(26,402)	(491,917)	-	(518,319)
Net cash provided by noncapital financing activities	<u>43,831</u>	<u>-</u>	<u>-</u>	<u>43,831</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(22,147)	-	-	(22,147)
Net cash used in capital and related financing activities	<u>(22,147)</u>	<u>-</u>	<u>-</u>	<u>(22,147)</u>
Cash flows from investing activities:				
Interest received	6,520	-	-	6,520
Net cash provided by investing activities	<u>6,520</u>	<u>-</u>	<u>-</u>	<u>6,520</u>
Net increase (decrease) in cash and cash equivalents	70,457	(335,843)	-	(265,386)
Cash and cash equivalents at beginning of year	<u>677,372</u>	<u>855,927</u>	<u>239</u>	<u>1,533,538</u>
Cash and cash equivalents at end of year	<u>\$ 747,829</u>	<u>\$ 520,084</u>	<u>\$ 239</u>	<u>\$ 1,268,152</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (16,331)	\$ (268,677)	\$ -	\$ (285,008)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	24,385	-	-	24,385
Federal donated commodities	48,196	-	-	48,196
Changes in assets and liabilities:				
Decrease in materials and supplies inventory	46	-	-	46
Increase in inventory held for resale	(15,945)	-	-	(15,945)
(Increase) decrease in accounts receivable	(467)	21,109	-	20,642
Decrease in accounts payable	(42,423)	(1,500)	-	(43,923)
Increase in accrued wages and benefits	25,286	-	-	25,286
Increase in compensated absences payable	4,265	-	-	4,265
Decrease in due to other governments	(17,452)	(46)	-	(17,498)
Decrease in claims payable	-	(86,729)	-	(86,729)
Increase in pension obligation payable	29,392	-	-	29,392
Increase in deferred revenue	3,301	-	-	3,301
Net cash provided by (used in) operating activities	<u>\$ 42,253</u>	<u>\$ (335,843)</u>	<u>\$ -</u>	<u>\$ (293,590)</u>
Noncash investing, capital and financing activities:				
Federal donated commodities	<u>\$ 48,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,196</u>

THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

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

The District ranks as the 62nd largest by enrollment among the 705 public and community school districts in the State. The District employs 432 non-certified, 260 certified and 31 administrative employees to provide services to approximately 5,588 students and community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial statements (GPFS) of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

A. Reporting Entity

The District's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". When applying GASB Statement No. 14, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Board's ability to exercise significant oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the District and/or its citizens. A third criterion used to evaluate potential component units for inclusion in or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units. The following organizations are described due to their relationship with the District:

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATION

Six District Educational Compact (the "Compact")

The Compact is a jointly governed organization to provide for the vocational needs of the students of six participating school districts. The six member board consists of the superintendent from each of the participating school districts. Students may attend any vocational class offered by any of the six school districts. Hudson City School District serves as one of the fiscal agents for this agreement, collecting and distributing payments pertaining to the administrative portion of the compact. The board exercises total control over the operations of the compact, including budgeting, appropriating, contracting and designating management.

PUBLIC ENTITY RISK POOL

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in the Ohio School Boards Association (OSBA) Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP was established under Section 4123.29 of the Ohio Revised Code. The GRP's business and affairs are conducted by a three-member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds and account groups to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

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 liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's governmental fund types:

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

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used 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 where the determination of net income is necessary or useful to sound financial administration. The following are the District's proprietary fund types:

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

Internal Service Funds - The internal service funds are 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/or other funds. The following are the District's fiduciary funds:

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

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

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

ACCOUNT GROUPS

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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.

C. Measurement Focus/Basis of Accounting

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

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

The modified accrual basis of accounting is followed for governmental funds and the expendable trust fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, which for the District is 60 days after the June 30 year-end. Revenues accrued at the end of the year include interest, tuition grants, and accounts (student fees and rent). Current property taxes measurable as of June 30, 2002, and which are intended to finance fiscal 2003 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue. In proprietary funds, unused donated commodities are reported as deferred revenue.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the modified accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and the resources are available (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met and the resources are available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

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. Deferred revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenditures (decreases in net financial resources) are recognized in the period in which the fund liability is incurred with the following exceptions: general long-term obligation principal and interest are reported only when due; and the costs of accumulated unpaid vacation and sick leave 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.

The proprietary funds are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense and a like amount is reported as donated commodities revenue.

On the accrual basis of accounting, revenue from nonexchange transactions, such as grants, entitlements and donations, is recognized in the fiscal year in which all eligibility requirements have been met. The proprietary funds receive no revenue from property taxes.

D. Budgetary Process

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

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

Tax Budget

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 2002.

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do 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 CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. 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 the District's records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2002, investments were limited to federal agency securities, repurchase agreements, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2002. 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, 2002.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2002 amounted to \$422,655 which includes \$160,347 assigned from other District funds.

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 reported as investments.

An analysis of the Treasurer's investments at year-end is provided in Note 4.

F. 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. At June 30, 2002, there were no significant inventory balances in the governmental funds. Inventories of proprietary funds consist of donated and purchased food, and they are expensed when used. Unused donated commodities are reported as deferred revenue.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Fixed Assets and Depreciation

1. General Fixed Assets Account Group

General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the general fixed assets account group. Donated fixed assets are recorded at their fair market value as of the date donated. The District has a policy of not capitalizing assets with a cost of less than \$1,000. No depreciation is recognized for assets in the general fixed assets account group. The District has not included infrastructure in the general fixed assets account group. Interest on debt issued to construct general fixed assets is not capitalized in the account group.

2. Proprietary Funds

Assets reflected in these funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over an estimated useful life of 5 - 20 years.

H. Interfund Transactions

During the course of normal operations, the District has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.
2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expenses in the reimbursed fund. Quasi-external transactions are accounted for as revenues, expenditures or expenses.
3. Short-term interfund loans and accrued interfund reimbursements and accrued operating transfers are reflected as "interfund loans receivable or payable". The District had short-term interfund loans receivable and payable at June 30, 2002.
4. Long-term interfund loans that will not be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheet for those funds that report advances to other funds as assets because they are not spendable, available resources. The District had no long-term advances receivable or payable at June 30, 2002.

An analysis of interfund transactions is presented in Note 5.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

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

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

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

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method which is based on the District's past experience of making termination payments for sick leave.

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.

J. Prepayments

Prepayments for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefitting from the advance payment. At fiscal year-end, since prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

K. 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 not be paid with current available expendable financial resources. In general, payments made more than 60 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 CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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.

L. Fund Balance Reserves

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, prepayments, debt service, tax revenue unavailable for appropriation, and principal endowments. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purposes of those funds.

M. Non-Public Schools

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

N. Estimates

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

O. Memorandum Only - Total Columns

Total columns on the GPFS are captioned "Total (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 changes in financial position in conformity with GAAP. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2002 included the following individual fund deficits:

	<u>Deficit Balance</u>
<u>Special Revenue Funds</u>	
Drug-Free Grant	\$ 2,718
<u>Internal Service Fund</u>	
Employee Benefits Self-Insurance	30,404

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

These funds complied with Ohio State law which does not permit a cash basis deficit at fiscal year-end.

The deficit fund balances in the Drug-Free Grant special revenue fund is caused by accruing a liability for accounts payable in accordance with GAAP. This deficit will be eliminated by intergovernmental revenues and other resources not recognized at June 30.

The deficit retained earnings in the Employee Benefits Self-Insurance internal service fund is caused by the recording of a liability for claims incurred by June 30 but not paid until after that date. This deficit will be eliminated as premiums are collected to pay the claims.

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

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

Active deposits are public deposits necessary to meet certain 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 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 must be evidenced by certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

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 money deposited with the institution.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal 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 2 percent and be marked to market daily, and that the term of the agreement must not exceed 30 days;

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the 2 highest rating classifications by at least 2 nationally recognized rating agencies.

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.

Cash on Hand: At fiscal year-end, the District had \$1,400 in undeposited cash on hand, which is included on the combined balance sheet of the District as part of "Equity in pooled cash and cash equivalents".

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

Deposits: At year-end, the carrying amount of the District's deposits was \$5,883,569 and the bank balance was \$6,193,177. Of the bank balance:

1. \$321,740 was covered by federal depository insurance; and
2. \$5,871,437 was uninsured and uncollateralized as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS - (Continued)

Investments: Investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities 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, but not in the District's name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 2	Category 3	Carrying Amount	Fair Value
Repurchase agreements	\$ -	\$1,067,000	\$1,067,000	\$1,067,000
Federal agency securities	<u>5,448,328</u>	<u>-</u>	5,448,328	5,448,328
Total	<u>\$5,448,328</u>	<u>\$1,067,000</u>		
Investment in STAR Ohio			<u>217,537</u>	<u>217,537</u>
Total investments			<u>\$6,732,865</u>	<u>\$6,732,865</u>

The classification of cash and cash equivalents, and investments on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and cash equivalents and investments on the combined balance sheet and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
Per GASB Statement No. 9	\$ 12,617,834	\$ 0
Investments of the cash management pool:		
Repurchase agreements	(1,067,000)	1,067,000
Federal agency securities	(5,448,328)	5,448,328
STAR Ohio	(217,537)	217,537
Cash on hand	<u>(1,400)</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 5,883,569</u>	<u>\$6,732,865</u>

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2002, consist of the following individual interfund loans receivable and payable:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$9,114	\$ -
<u>Special Revenue Fund</u>		
Auxiliary Services	-	9,114
Total	<u>\$9,114</u>	<u>\$9,114</u>

- B. The following is a summarized breakdown of the District's operating transfers for fiscal year 2002:

	Transfers In	Transfers Out
General Fund	\$ -	\$83,164
<u>Special Revenue Funds</u>		
District Managed Student Activity	72,164	-
Public School Support	6,000	-
<u>Enterprise Fund</u>		
Rotary	5,000	-
Total	<u>\$83,164</u>	<u>\$83,164</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year. Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the District.

Real property taxes and public utility taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised market value.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements. Real property is assessed at 35% of market value and personal property is assessed at varying rates of true value.

Tangible personal property taxes attach as a lien and are levied on April 1 of the current year. Tangible personal property assessments are 25% of true value.

The assessed value upon which the 2001 taxes were collected was \$794,021,689. Agricultural/residential and public utility real estate represented \$619,744,350 or 78.05% of this total; Commercial & industrial real estate represented \$95,420,340 or 12.02% of this total; public utility tangible represented \$16,195,670 or 2.04% of this total and general tangible property represented \$62,661,329 or 7.89% of this total. The voted general tax rate for operations at the fiscal year ended June 30, 2002 was \$71.30 per \$1,000 of assessed valuation, \$1.50 per \$1,000 of assessed valuation for permanent improvement, and \$3.10 per \$1,000 of assessed valuation for debt service.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 6 - PROPERTY TAXES - (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20.

The Summit County Treasurer collects property tax on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. A total of \$753,391 was available to the District as an advance at June 30 and is recognized as revenue.

Taxes available for advance and recognized as revenue but not received by the district prior to June 30, 2002, are reflected as a reservation of fund balance for future appropriations. The District is prohibited, by law, from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002, consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, interfund loans, and intergovernmental grants and entitlements (to the extent eligibility requirements have been met by year-end). Intergovernmental receivables have been recorded as "Due From Other Governments" on the combined balance sheet. 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 fiscal year guarantee of Federal funds.

A summary of the principal items of receivables follows:

	Amounts
<u>General Fund</u>	
Taxes - current and delinquent	\$30,131,844
Accrued interest	28,863
 <u>Special Revenue Funds</u>	
Intergovernmental:	
Title VI	18,799
Title VI-B	69,723
Drug-Free grant	2,733
EHA Preschool grant	2,552
Miscellaneous federal grants	480
 <u>Debt Service Fund</u>	
Taxes - current and delinquent	2,220,859

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 7 - RECEIVABLES - (Continued)

	<u>Amounts</u>
<u>Capital Projects Funds</u>	
Taxes - current and delinquent	\$1,037,530
 <u>Enterprise Fund</u>	
Intergovernmental:	
State and Federal School	
Breakfast and Lunch Subsidies	16,401

NOTE 8 - FIXED ASSETS

A. General Fixed Assets

A summary of the changes in the general fixed asset account group during the fiscal year follows:

	<u>Balance July 1, 2001</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2002</u>
Land and improvements	\$ 2,484,853	\$ 24,432	\$ -	\$ 2,509,285
Buildings and improvements	43,922,156	417,242	-	44,339,398
Textbooks	3,243,641	16,835	(216,343)	3,044,133
Furniture and equipment	<u>16,432,579</u>	<u>843,474</u>	<u>(170,579)</u>	<u>17,105,474</u>
Total	<u>\$66,083,229</u>	<u>\$1,301,983</u>	<u>\$(386,922)</u>	<u>\$66,998,290</u>

B. Proprietary Fixed Assets

A summary of enterprise fund fixed assets at June 30, 2002 follows:

Furniture and equipment	\$ 692,979
Less: accumulated depreciation	<u>(366,967)</u>
Net fixed assets	<u>\$ 326,012</u>

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 9 - LONG -TERM OBLIGATIONS

Changes in long-term obligations of the District from July 1, 2001 through June 30, 2002, were as follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2002</u>
General obligation bonds:				
High school building				
7.10%, 04/93 - 12/14	\$14,169,880	\$ -	\$(1,870,000)	\$12,299,880
Energy conservation bonds				
5.20%, 04/97 - 12/07	<u>1,222,208</u>	<u>-</u>	<u>(149,200)</u>	<u>1,073,008</u>
Total general obligation bonds	<u>15,392,088</u>	<u>-</u>	<u>(2,019,200)</u>	<u>13,372,888</u>
Energy conservation loan				
6.25%, 09/91 - 09/01	50,000	-	(50,000)	0
Compensated absences payable	1,985,958	229,728	-	2,215,686
Pension obligation payable	<u>251,539</u>	<u>284,178</u>	<u>(251,539)</u>	<u>284,178</u>
Total general long-term obligations	<u>\$17,679,585</u>	<u>\$513,906</u>	<u>\$(2,320,739)</u>	<u>\$15,872,752</u>

The general obligation bonds and the energy conservation bonds will be paid from the debt service fund. The energy conservation loan was retired from the debt service fund. Pension obligations and compensated absences will be paid from the fund from which the employee is paid. Compensated absences have been presented net of actual increases and decreases.

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, 2002, \$21,165,000 of bonds outstanding are considered defeased.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2002, are as follows:

Fiscal Year Ending	General Obligation Bonds High School Building			General Obligation Bonds Energy Conservation		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 1,965,000	\$ 454,845	\$ 2,419,845	\$ 156,959	\$ 51,715	\$ 208,674
2004	478,315	1,999,405	2,477,720	165,121	43,341	208,462
2005	449,051	2,031,669	2,480,720	173,707	34,532	208,239
2006	422,786	2,072,934	2,495,720	182,739	25,264	208,003
2007	394,425	2,101,295	2,495,720	192,242	15,515	207,757
2008 - 2012	3,475,303	9,043,657	12,518,960	202,240	5,258	207,498
2012 - 2015	<u>5,115,000</u>	<u>330,260</u>	<u>5,445,260</u>			
Total	<u>\$12,299,880</u>	<u>\$18,034,065</u>	<u>\$30,333,945</u>	<u>\$1,073,008</u>	<u>\$175,625</u>	<u>\$1,248,633</u>

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

NOTE 10 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working 11 or 12 months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 120 days and adding to that one day for every eight days of the next 240 days accumulated, to a maximum of 60 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

NOTE 11 - RISK MANAGEMENT

A. General Insurance

The District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. The District has a comprehensive property and casualty policy with 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.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 11 - RISK MANAGEMENT - (Continued)

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from fiscal year 2001.

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.

C. 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 risk of loss in this program. This plan provides a medical plan with a \$250 family and \$125 single deductible. A third party administrator, Administrative Service Consultants located in Cleveland, Ohio, reviews and processes all claims for payment. The District purchases stop-loss coverage of \$125,000 per employee and \$4,062,121 in the aggregate.

The District pays into the self-insurance internal service fund for full-time medical and prescription drug family coverage \$676.78 per month for certified employees and \$663.24 per month for administrative and classified employees. Single coverage full-time costs are \$308.66 for certified employees and \$302.49 classified and administrative employees. Employees are considered part-time if they work 20 or more hours per week and less than 35 hours per week. Part-time employees are eligible for family and single coverage. The premiums for part-time employees are prorated according to hours worked per week for certified employees and hours worked per 7-hour day for classified employees.

Dental coverage is also provided on a self-insured basis through Administrative Service Consultants. Premium costs for this coverage are \$27.09 per month for family coverage and \$11.67 per month for single coverage for certified employees. Premiums for classified employees are prorated according to hours worked per 7-hour day with premiums ranging from \$49.74 to \$28.93 for family coverage and \$19.87 to \$11.56 for single coverage. Employees working 20 or more hours per week are eligible for dental coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in this plan.

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

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, Administrative Service Consultants, reviews and processes the claims. The premium for this coverage is included in the medical plan premium amounts stated above.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 11 - RISK MANAGEMENT - (Continued)

The claims liability is \$485,305 reported in the internal service fund at June 30, 2002, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

A summary of the fund's claims liability in fiscal years 2001 and 2002 were as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2001	\$450,714	\$3,555,145	\$(3,433,825)	\$572,034
2002	572,034	3,954,005	(4,040,734)	485,305

D. Workers' Compensation

For fiscal year 2002, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund".

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

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 12 - SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains four enterprise funds to account for the operations of food service, uniform school supplies, rotary special services and community education operations. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District as of and for the year ended June 30, 2002.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Community Education</u>	<u>Total</u>
Operating revenue	\$1,369,644	\$184,037	\$ 44,119	\$814,028	\$2,411,828
Operating expenses before depreciation	1,445,266	162,591	64,008	731,909	2,403,774
Depreciation	23,825	-	-	560	24,385
Operating income/(loss)	(99,447)	21,446	(19,889)	81,559	(16,331)
Operating grants	60,439	-	-	-	60,439
Federal donated commodities	48,196	-	-	-	48,196
Loss on disposal of fixed assets	(2,722)	-	-	-	(2,722)
Interest revenue	6,520	-	-	-	6,520
Operating transfers in	-	-	5,000	-	5,000
Net income/(loss)	12,986	21,446	(14,889)	81,559	101,102
Net working capital	190,047	142,384	34,341	228,487	595,259
Total assets	658,945	144,798	60,841	301,825	1,166,409
Total liabilities	199,996	2,414	25,128	100,343	327,881
Total equity	458,949	142,384	35,713	201,482	838,528
Encumbrances 06/30/02	80,747	5,921	4,440	255,213	346,321

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. 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 administered by the School Employees Retirement Board. 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute an actuarially determined rate. The current school district rate is 14% of annual covered payroll; 5.46% was the portion to fund pension obligations. The contribution requirements of plan members and employees may be amended up to a statutory maximum amount by the School Employees Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$290,782, \$276,978, and \$420,000, respectively; 43.0% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$165,611, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The District contributes to 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 retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone 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, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$2,239,917, \$2,099,768, and \$1,234,800, respectively; 82.6% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$388,493, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2002, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 14 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by State statute. Both STRS and SERS 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. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$1,016,013 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001 (the latest information available), net health care costs paid by STRS were \$300.772 million and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a decrease of 1.26 percent from the prior year. 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 2002, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available), were \$161.440 million and the target level was \$242.2 million. At June 30, 2001 (the latest information available), SERS had net assets available for payment of health care benefits of \$315.7 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$524,338 during the 2002 fiscal year.

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -Budget and Actual Comparison (Non-GAAP Budgetary Basis) - All Governmental Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

**HUDSON CITY SCHOOL DISTRICT
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NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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

	Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses			
	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget basis	\$ 664,927	\$(307,921)	\$ 54,445	\$(499,655)
Net adjustment for revenue accruals	(343,104)	(31,845)	(28,406)	(12,073)
Net adjustment for expenditure accruals	(744,212)	101,284	-	359,758
Net adjustment for other sources/uses	(51,257)	4,145	-	-
Adjustment for encumbrances	<u>979,583</u>	<u>144,997</u>	<u>-</u>	<u>451,682</u>
GAAP basis	<u>\$ 505,937</u>	<u>\$ (89,340)</u>	<u>\$ 26,039</u>	<u>\$ 299,712</u>

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2002.

B. Litigation

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

C. State School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

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

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 17 - STATUTORY RESERVES

The District is required by State law to set-aside certain general fund revenue amounts, as defined by Statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2002, the reserve activity was as follows:

	<u>Textbook/ Instructional Set-Aside</u>	<u>Capital Improvement Set-Aside</u>	<u>Totals</u>
Set-aside cash balance as of June 30, 2001	\$ (816,481)	\$ 0	\$ (816,481)
Current year set-aside requirement	670,893	670,893	1,341,786
Current year offsets	-	(1,147,874)	(1,147,874)
Qualifying disbursements	<u>(1,348,636)</u>	<u>(417,388)</u>	<u>(1,766,024)</u>
Total	<u>\$(1,494,224)</u>	<u>\$ (894,369)</u>	<u>\$(2,388,593)</u>
Cash balance carried forward to FY 2003	<u>\$(1,494,224)</u>	<u>\$ -</u>	<u>\$(1,494,224)</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP,
FINANCIAL
STATEMENTS AND SCHEDULES

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GENERAL FUND

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

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

Summer Intervention - A fund used to account for a summer reading intervention program.

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 of handicapped children and provision of full educational opportunities of handicapped children at the pre-school, elementary and secondary levels.

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

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

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30, 2002

	Public School Support	Other Grants	Athletic and Music Fund	Auxiliary Services
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 161,767	\$ 21,752	\$ 240,858	\$ 124,882
Receivables (net of allowances of uncollectibles):				
Accounts.	12	-	391	4
Due from other governments	-	-	-	-
Total assets.	\$ 161,779	\$ 21,752	\$ 241,249	\$ 124,886
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable.	\$ 16,957	\$ -	\$ 3,298	\$ 26,378
Accrued wages and benefits payable	-	-	-	60,584
Pension obligation payable.	-	-	-	8,746
Interfund loan payable	-	-	-	9,114
Deferred revenue.	-	-	-	-
Due to other governments	1,421	-	112	2,487
Total liabilities.	18,378	-	3,410	107,309
EQUITY AND OTHER CREDITS:				
Fund balances (deficit):				
Reserved for encumbrances.	17,548	108	9,359	48,269
Unreserved-undesignated	125,853	21,644	228,480	(30,692)
Total equity and other credits	143,401	21,752	237,839	17,577
Total liabilities, equity and other credits.	\$ 161,779	\$ 21,752	\$ 241,249	\$ 124,886

<u>Pupils Program</u>	<u>Teacher Development</u>	<u>Management Information System</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
\$ -	\$ 10,317	\$ 34,067	\$ -	\$ 3,806	\$ 2,570
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 10,317</u>	<u>\$ 34,067</u>	<u>\$ -</u>	<u>\$ 3,806</u>	<u>\$ 2,570</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 498
-	-	-	-	30	-
-	-	-	-	-	-
-	-	-	-	-	-
-	59	-	-	21	10
<u>-</u>	<u>59</u>	<u>-</u>	<u>-</u>	<u>51</u>	<u>508</u>
-	-	-	-	-	2,006
-	10,258	34,067	-	3,755	56
<u>-</u>	<u>10,258</u>	<u>34,067</u>	<u>-</u>	<u>3,755</u>	<u>2,062</u>
<u>\$ -</u>	<u>\$ 10,317</u>	<u>\$ 34,067</u>	<u>\$ -</u>	<u>\$ 3,806</u>	<u>\$ 2,570</u>

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

COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2002

	Summer Intervention	Other State Grants	Economic Security Act	Title VI-B
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 392	\$ 6,430	\$ 5,105	\$ 106,250
Receivables (net of allowances of uncollectibles):				
Accounts.	-	-	-	-
Due from other governments	-	-	-	69,723
Total assets.	\$ 392	\$ 6,430	\$ 5,105	\$ 175,973
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable.	\$ -	\$ -	\$ -	\$ 452
Accrued wages and benefits payable	-	-	-	52,288
Pension obligation payable.	-	-	-	557
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	69,723
Due to other governments	31	43	-	1,582
Total liabilities.	31	43	-	124,602
EQUITY AND OTHER CREDITS:				
Fund balances (deficit):				
Reserved for encumbrances.	-	-	-	4,210
Unreserved-undesignated	361	6,387	5,105	47,161
Total equity and other credits	361	6,387	5,105	51,371
Total liabilities, equity and other credits.	\$ 392	\$ 6,430	\$ 5,105	\$ 175,973

<u>Vocational Education</u>	<u>Title VI</u>	<u>Drug Free Grant</u>	<u>EHA Preschool Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$ -	\$ 11,186	\$ 7,255	\$ 4,373	\$ 16,784	\$ 757,794
-	-	-	-	-	407
-	18,799	2,733	2,552	480	94,287
<u>\$ -</u>	<u>\$ 29,985</u>	<u>\$ 9,988</u>	<u>\$ 6,925</u>	<u>\$ 17,264</u>	<u>\$ 852,488</u>
\$ -	\$ -	\$ 9,954	\$ -	\$ 9,954	\$ 67,491
-	7,171	-	3,563	-	123,636
-	-	-	-	-	9,303
-	-	-	-	-	9,114
-	18,799	2,733	-	480	91,735
-	220	19	126	-	6,131
<u>-</u>	<u>26,190</u>	<u>12,706</u>	<u>3,689</u>	<u>10,434</u>	<u>307,410</u>
-	-	118	-	4,756	86,374
-	3,795	(2,836)	3,236	2,074	458,704
<u>-</u>	<u>3,795</u>	<u>(2,718)</u>	<u>3,236</u>	<u>6,830</u>	<u>545,078</u>
<u>\$ -</u>	<u>\$ 29,985</u>	<u>\$ 9,988</u>	<u>\$ 6,925</u>	<u>\$ 17,264</u>	<u>\$ 852,488</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Public School Support	Other Grants	Athletic and Music Fund	Auxiliary Services
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 5,709
Extracurricular	139,068	-	292,732	-
Other local revenues	180,953	-	67,989	-
Intergovernmental - state	-	-	-	1,181,408
Intergovernmental - federal	-	-	-	-
 Total revenue	320,021	-	360,721	1,187,117
 Expenditures:				
Current:				
Instruction:				
Regular	70,920	-	-	925,413
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	294,886	-	-	153,040
Instructional staff	7,453	5,117	-	7,887
Administration	11,019	-	-	107,988
Business	-	-	-	-
Operation of non-instructional services	10,878	-	-	2,731
Extracurricular activities	-	-	395,843	-
 Total expenditures	395,156	5,117	395,843	1,197,059
 Excess (deficiency) of revenues over (under) expenditures	(75,135)	(5,117)	(35,122)	(9,942)
 Other financing sources:				
Operating transfers in	6,000	-	72,164	-
 Total other financing sources	6,000	-	72,164	-
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(69,135)	(5,117)	37,042	(9,942)
 Fund balances, July 1.	212,536	26,869	200,797	27,519
 Fund balances, June 30.	\$ 143,401	\$ 21,752	\$ 237,839	\$ 17,577

<u>Pupils Program</u>	<u>Teacher Development</u>	<u>Management Information System</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	20,072	-	8,592	6,000
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>20,072</u>	<u>-</u>	<u>8,592</u>	<u>6,000</u>
-	-	-	-	-	2,469
350	-	-	-	-	-
-	-	-	-	-	-
-	-	-	18,000	-	-
-	-	-	-	-	-
-	19,479	-	-	9,837	2,007
-	-	24,264	-	-	-
-	-	-	-	-	-
-	877	-	-	-	-
-	-	-	-	-	-
<u>350</u>	<u>20,356</u>	<u>24,264</u>	<u>18,000</u>	<u>9,837</u>	<u>4,476</u>
<u>(350)</u>	<u>(20,356)</u>	<u>(4,192)</u>	<u>(18,000)</u>	<u>(1,245)</u>	<u>1,524</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(350)	(20,356)	(4,192)	(18,000)	(1,245)	1,524
350	30,614	38,259	18,000	5,000	538
<u>\$ -</u>	<u>\$ 10,258</u>	<u>\$ 34,067</u>	<u>\$ -</u>	<u>\$ 3,755</u>	<u>\$ 2,062</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Summer Intervention</u>	<u>Other State Grants</u>	<u>Economic Security Act</u>	<u>Title VI-B</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	5,278	-	-
Intergovernmental - federal	-	-	16,503	404,421
 Total revenue.	 <u>-</u>	 <u>5,278</u>	 <u>16,503</u>	 <u>404,421</u>
Expenditures:				
Current:				
Instruction:				
Regular.	1,244	1,270	-	-
Special	-	1,037	-	30,679
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	240,392
Instructional staff.	-	851	12,000	96,849
Administration	-	-	-	16,804
Business	-	5,377	-	-
Operation of non-instructional services	-	-	1,811	4,081
Extracurricular activities	-	-	-	-
 Total expenditures	 <u>1,244</u>	 <u>8,535</u>	 <u>13,811</u>	 <u>388,805</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(1,244)</u>	 <u>(3,257)</u>	 <u>2,692</u>	 <u>15,616</u>
Other financing sources:				
Operating transfers in	-	-	-	-
 Total other financing sources	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	 <u>(1,244)</u>	 <u>(3,257)</u>	 <u>2,692</u>	 <u>15,616</u>
 Fund balances, July 1.	 1,605	 9,644	 2,413	 35,755
 Fund balances, June 30.	 <u>\$ 361</u>	 <u>\$ 6,387</u>	 <u>\$ 5,105</u>	 <u>\$ 51,371</u>

<u>Vocational Education</u>	<u>Title VI</u>	<u>Drug Free Grant</u>	<u>EHA Preschool Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,709
-	-	-	-	-	431,800
-	-	-	-	-	248,942
-	-	-	-	-	1,221,350
-	24,207	24,597	25,526	251,920	747,174
<u>-</u>	<u>24,207</u>	<u>24,597</u>	<u>25,526</u>	<u>251,920</u>	<u>2,654,975</u>
-	19,154	-	-	245,090	1,265,560
-	-	-	-	-	32,066
2,375	-	-	-	-	2,375
-	-	-	-	-	18,000
-	-	40,948	3,550	-	732,816
-	-	-	24,890	-	186,370
-	-	-	-	-	160,075
-	-	-	-	-	5,377
-	3,619	-	-	-	23,997
-	-	-	-	-	395,843
<u>2,375</u>	<u>22,773</u>	<u>40,948</u>	<u>28,440</u>	<u>245,090</u>	<u>2,822,479</u>
<u>(2,375)</u>	<u>1,434</u>	<u>(16,351)</u>	<u>(2,914)</u>	<u>6,830</u>	<u>(167,504)</u>
-	-	-	-	-	78,164
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,164</u>
(2,375)	1,434	(16,351)	(2,914)	6,830	(89,340)
2,375	2,361	13,633	6,150	-	634,418
<u>\$ -</u>	<u>\$ 3,795</u>	<u>\$ (2,718)</u>	<u>\$ 3,236</u>	<u>\$ 6,830</u>	<u>\$ 545,078</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Tuition	\$ 65,021	\$ 65,021	\$ -
Extracurricular	141,946	141,946	-
Other local revenue	117,562	117,562	-
Total revenues	<u>324,529</u>	<u>324,529</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	92,380	75,021	17,359
Support services:			
Pupils	359,498	319,482	40,016
Instructional staff	7,745	7,453	292
Administration	15,614	15,614	-
Operation of non-instructional services	12,541	11,938	603
Total expenditures	<u>487,778</u>	<u>429,508</u>	<u>58,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(163,249)</u>	<u>(104,979)</u>	<u>58,270</u>
Other financing sources (uses):			
Advances in	-	12,121	12,121
Advances out	-	(24,242)	(24,242)
Operating transfers in	6,000	6,000	-
Operating transfers out	(2,000)	-	2,000
Refund of prior year's receipts	(46)	(46)	-
Total other financing sources (uses)	<u>3,954</u>	<u>(6,167)</u>	<u>(10,121)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(159,295)	(111,146)	48,149
Fund balance, July 1	160,550	160,550	-
Prior year encumbrances appropriated	<u>78,319</u>	<u>78,319</u>	<u>-</u>
Fund balance, June 30	<u>\$ 79,574</u>	<u>\$ 127,723</u>	<u>\$ 48,149</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	\$ 5,329	\$ 5,329	\$ -
Total expenditures	<u>5,329</u>	<u>5,329</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	(5,329)	(5,329)	-
Other financing sources (uses):			
Operating transfers out.	<u>(21,644)</u>	<u>-</u>	<u>21,644</u>
Total other financing sources (uses)	<u>(21,644)</u>	<u>-</u>	<u>21,644</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(26,973)	(5,329)	21,644
Fund balance, July 1	24,774	24,774	-
Prior year encumbrances appropriated.	<u>2,199</u>	<u>2,199</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 21,644</u>	<u>\$ 21,644</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC AND MUSIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular	\$ 292,733	\$ 292,733	\$ -
Other local revenue.	67,357	67,357	-
Total revenues	360,090	360,090	-
Expenditures:			
Current:			
Support services:			
Instructional staff	89	-	89
Extracurricular activities.	590,956	419,261	171,695
Total expenditures	591,045	419,261	171,784
Excess (deficiency) of revenues over (under) expenditures.	(230,955)	(59,171)	171,784
Other financing sources (uses):			
Operating transfers in	72,164	72,164	-
Refund of prior year expenditures	241	241	-
Total other financing sources (uses)	72,405	72,405	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(158,550)	13,234	171,784
Fund balance, July 1	176,379	176,379	-
Prior year encumbrances appropriated.	38,678	38,678	-
Fund balance, June 30	\$ 56,507	\$ 228,291	\$ 171,784

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
From local sources:			
Earnings on investments	\$ 5,709	\$ 5,709	\$ -
Intergovernmental-state	1,181,408	1,181,408	-
Total revenues	<u>1,187,117</u>	<u>1,187,117</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,079,035	1,079,035	-
Support services:			
Pupils	154,181	154,181	-
Instructional staff	7,887	7,887	-
Administration	111,932	111,932	-
Operation and maintenance of plant	4,362	4,362	-
Total expenditures	<u>1,357,397</u>	<u>1,357,397</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(170,280)</u>	<u>(170,280)</u>	<u>-</u>
Other financing sources (uses):			
Advances in	-	9,113	9,113
Operating transfers out.	(50,234)	-	50,234
Refund of prior year's receipts	(503)	(503)	-
Total other financing sources (uses)	<u>(50,737)</u>	<u>8,610</u>	<u>59,347</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(221,017)	(161,670)	59,347
Fund balance, July 1	45,512	45,512	-
Prior year encumbrances appropriated.	<u>166,393</u>	<u>166,393</u>	<u>-</u>
Fund balance, June 30	<u>\$ (9,112)</u>	<u>\$ 50,235</u>	<u>\$ 59,347</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUPILS PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Instruction:			
Special	350	350	-
Total expenditures	<u>350</u>	<u>350</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	(350)	(350)	-
Fund balance, July 1	350	350	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	21,993	19,523	2,470
Operation of non-instructional services	8,724	877	7,847
Total expenditures	<u>30,717</u>	<u>20,400</u>	<u>10,317</u>
Excess (deficiency) of revenues over (under) expenditures.	(30,717)	(20,400)	10,317
Fund balance, July 1	30,717	30,717	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 10,317</u>	<u>\$ 10,317</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-state	\$ 20,071	\$ 20,071	\$ -
Total revenues	<u>20,071</u>	<u>20,071</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Administration	29,375	29,258	117
Total expenditures	<u>29,375</u>	<u>29,258</u>	<u>117</u>
Excess (deficiency) of revenues over (under) expenditures.	(9,304)	(9,187)	117
Fund balance, July 1	16,349	16,349	-
Prior year encumbrances appropriated.	<u>26,905</u>	<u>26,905</u>	<u>-</u>
Fund balance, June 30	<u>\$ 33,950</u>	<u>\$ 34,067</u>	<u>\$ 117</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Instruction:			
Other	\$ 18,000	\$ 18,000	\$ -
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	(18,000)	(18,000)	-
Fund balance, July 1	18,000	18,000	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental-state	\$ 8,592	\$ 8,592	\$ -
Total revenues	<u>8,592</u>	<u>8,592</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	9,786	9,786	-
Total expenditures	<u>9,786</u>	<u>9,786</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,194)</u>	<u>(1,194)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(356)	-	356
Total other financing sources (uses)	<u>(356)</u>	<u>-</u>	<u>356</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(1,550)	(1,194)	356
Fund balance, July 1	5,000	5,000	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,450</u>	<u>\$ 3,806</u>	<u>\$ 356</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-state	\$ 6,000	\$ 6,000	\$ -
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,902	4,902	-
Support services:			
Instructional staff	2,000	2,000	-
Total expenditures	<u>6,902</u>	<u>6,902</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(902)</u>	<u>(902)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(63)	-	63
Total other financing sources (uses)	<u>(63)</u>	<u>-</u>	<u>63</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(965)	(902)	63
Fund balance, July 1	58	58	-
Prior year encumbrances appropriated.	<u>910</u>	<u>910</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3</u>	<u>\$ 66</u>	<u>\$ 63</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Current:			
Instruction:			
Regular	\$ 9,867	\$ 9,814	\$ 53
Support services:			
Pupils	339	-	339
Total expenditures	<u>10,206</u>	<u>9,814</u>	<u>392</u>
Excess (deficiency) of revenues over (under) expenditures.	(10,206)	(9,814)	392
Fund balance, July 1	10,206	10,206	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 392</u>	<u>\$ 392</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-state	\$ 5,278	\$ 5,278	\$ -
Total revenues	<u>5,278</u>	<u>5,278</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	15,323	15,323	-
Special	1,037	1,037	-
Support services:			
Instructional staff	872	872	-
Business.	5,377	5,377	-
Total expenditures	<u>22,609</u>	<u>22,609</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(17,331)</u>	<u>(17,331)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(5,694)	-	5,694
Total other financing sources (uses)	<u>(5,694)</u>	<u>-</u>	<u>5,694</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(23,025)	(17,331)	5,694
Fund balance, July 1	17,074	17,074	-
Prior year encumbrances appropriated.	<u>6,395</u>	<u>6,395</u>	<u>-</u>
Fund balance, June 30	<u>\$ 444</u>	<u>\$ 6,138</u>	<u>\$ 5,694</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ECONOMIC SECURITY ACT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-federal	\$ 16,503	\$ 16,503	\$ -
Total revenues	<u>16,503</u>	<u>16,503</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	12,061	12,061	-
Operation of non-instructional services	1,811	1,811	-
Total expenditures	<u>13,872</u>	<u>13,872</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,631</u>	<u>2,631</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(5,105)	-	5,105
Total other financing sources (uses)	<u>(5,105)</u>	<u>-</u>	<u>5,105</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(2,474)	2,631	5,105
Fund balance, July 1	2,474	2,474	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 5,105</u>	<u>\$ 5,105</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-federal	\$ 434,942	\$ 434,942	\$ -
Total revenues	<u>434,942</u>	<u>434,942</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	30,691	30,691	-
Support services:			
Pupils	235,296	235,296	-
Instructional staff	94,751	94,751	-
Administration	17,095	17,095	-
Operation of non-instructional services	4,068	4,068	-
Total expenditures	<u>381,901</u>	<u>381,901</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>53,041</u>	<u>53,041</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(101,570)	-	101,570
Total other financing sources (uses)	<u>(101,570)</u>	<u>-</u>	<u>101,570</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(48,529)	53,041	101,570
Fund balance, July 1	46,517	46,517	-
Prior year encumbrances appropriated.	<u>2,030</u>	<u>2,030</u>	<u>-</u>
Fund balance, June 30	<u>\$ 18</u>	<u>\$ 101,588</u>	<u>\$ 101,570</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Instruction:			
Vocational	\$ 2,375	\$ 2,375	\$ -
Total expenditures	2,375	2,375	-
Excess (deficiency) of revenues over (under) expenditures.	(2,375)	(2,375)	-
Fund balance, July 1	2,375	2,375	-
Prior year encumbrances appropriated.	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-federal	\$ 24,207	\$ 24,207	\$ -
Total revenues	<u>24,207</u>	<u>24,207</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	29,011	29,011	-
Support services:			
Operation of non-instructional services	3,619	3,619	-
Total expenditures	<u>32,630</u>	<u>32,630</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(8,423)</u>	<u>(8,423)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(8,586)	-	8,586
Total other financing sources (uses)	<u>(8,586)</u>	<u>-</u>	<u>8,586</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(17,009)	(8,423)	8,586
Fund balance, July 1	15,101	15,101	-
Prior year encumbrances appropriated.	<u>4,508</u>	<u>4,508</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,600</u>	<u>\$ 11,186</u>	<u>\$ 8,586</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-federal	\$ 24,597	\$ 24,597	\$ -
Total revenues	<u>24,597</u>	<u>24,597</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupils	32,777	32,777	-
Total expenditures	<u>32,777</u>	<u>32,777</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(8,180)</u>	<u>(8,180)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(5,701)	-	5,701
Total other financing sources (uses)	<u>(5,701)</u>	<u>-</u>	<u>5,701</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(13,881)	(8,180)	5,701
Fund balance, July 1	12,960	12,960	-
Prior year encumbrances appropriated.	<u>1,012</u>	<u>1,012</u>	<u>-</u>
Fund balance, June 30	<u>\$ 91</u>	<u>\$ 5,792</u>	<u>\$ 5,701</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-federal	\$ 22,974	\$ 22,974	\$ -
Total revenues	<u>22,974</u>	<u>22,974</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupils	2,892	2,892	-
Instructional staff	23,853	23,853	-
Total expenditures	<u>26,745</u>	<u>26,745</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(3,771)</u>	<u>(3,771)</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(4,325)	-	4,325
Refund of prior year's receipts	(829)	(829)	-
Total other financing sources (uses)	<u>(5,154)</u>	<u>(829)</u>	<u>4,325</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	(8,925)	(4,600)	4,325
Fund balance, July 1	8,973	8,973	-
Prior year encumbrances appropriated.	-	-	-
Fund balance, June 30	<u>\$ 48</u>	<u>\$ 4,373</u>	<u>\$ 4,325</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental-federal	\$ 251,920	\$ 251,920	\$ -
Total revenues	<u>251,920</u>	<u>251,920</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	249,846	249,846	-
Total expenditures	<u>249,846</u>	<u>249,846</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,074</u>	<u>2,074</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers out.	(2,074)	-	2,074
Total other financing sources (uses)	<u>(2,074)</u>	<u>-</u>	<u>2,074</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses .	-	2,074	2,074
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 2,074</u>	<u>\$ 2,074</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
From local sources:			
Tuition	\$ 65,021	\$ 65,021	\$ -
Earnings on investments	5,709	5,709	-
Extracurricular	434,679	434,679	-
Other local revenue	184,919	184,919	-
Intergovernmental-state	1,221,349	1,221,349	-
Intergovernmental-federal	775,143	775,143	-
Total revenues	<u>2,686,820</u>	<u>2,686,820</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,480,364	1,462,952	17,412
Special	32,078	32,078	-
Vocational	2,375	2,375	-
Other	18,000	18,000	-
Support services:			
Pupils	784,983	744,628	40,355
Instructional staff	186,366	183,515	2,851
Administration	174,016	173,899	117
Business	5,377	5,377	-
Operation and maintenance of plant	4,362	4,362	-
Operation of non-instructional services	30,763	22,313	8,450
Extracurricular activities	590,956	419,261	171,695
Total expenditures	<u>3,309,640</u>	<u>3,068,760</u>	<u>240,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(622,820)</u>	<u>(381,940)</u>	<u>240,880</u>
Other financing sources (uses):			
Advances in	-	21,234	21,234
Advances out	-	(24,242)	(24,242)
Operating transfers in	78,164	78,164	-
Operating transfers out	(207,352)	-	207,352
Refund of prior year's receipts	(1,378)	(1,378)	-
Refund of prior year expenditures	241	241	-
Total other financing sources (uses)	<u>(130,325)</u>	<u>74,019</u>	<u>204,344</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(753,145)</u>	<u>(307,921)</u>	<u>445,224</u>
Fund balance, July 1	593,369	593,369	-
Prior year encumbrances appropriated	<u>327,349</u>	<u>327,349</u>	<u>-</u>
Fund balance, June 30	<u>\$ 167,573</u>	<u>\$ 612,797</u>	<u>\$ 445,224</u>

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

The capital projects funds account for the receipts and disbursements of monies used for the acquisition, construction or major renovation of capital facilities (other than those financed by enterprise funds).

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

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

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

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

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

COMBINING BALANCE SHEET
ALL CAPITAL PROJECTS FUNDS
JUNE 30, 2002

	Permanent Improvement	Building Fund	SchoolNet	Power Up Grant	Totals
ASSETS:					
Equity in pooled cash and cash equivalents.	\$ 1,219,239	\$ 40,710	\$ 98	\$ -	\$ 1,260,047
Receivables (net of allowances of uncollectibles):					
Property taxes - current & delinquent	1,037,530	-	-	-	1,037,530
Total assets.	\$ 2,256,769	\$ 40,710	\$ 98	\$ -	\$ 2,297,577
LIABILITIES, EQUITY AND OTHER CREDITS					
LIABILITIES:					
Accounts payable.	\$ 27,041	\$ -	\$ -	\$ -	\$ 27,041
Deferred revenue	1,013,821	-	-	-	1,013,821
Total liabilities.	1,040,862	-	-	-	1,040,862
EQUITY AND OTHER CREDITS:					
Fund balances:					
Reserved for encumbrances.	419,443	5,100	98	-	424,641
Reserved for tax revenue					
unavailable for appropriation	23,709	-	-	-	23,709
Unreserved-undesignated	772,755	35,610	-	-	808,365
Total equity and other credits	1,215,907	40,710	98	-	1,256,715
Total liabilities, equity and other credits.	\$ 2,256,769	\$ 40,710	\$ 98	\$ -	\$ 2,297,577

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Permanent Improvement</u>	<u>Building Fund</u>	<u>SchoolNet</u>	<u>Power Up Grant</u>	<u>Totals</u>
Revenues:					
From local sources:					
Taxes	\$ 1,019,259	\$ -	\$ -	\$ -	\$ 1,019,259
Intergovernmental - state	122,111	-	21,000	-	143,111
Total revenue	<u>1,141,370</u>	<u>-</u>	<u>21,000</u>	<u>-</u>	<u>1,162,370</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	125	-	125
Other	22,668	-	36,000	-	58,668
Support services:					
Fiscal	14,962	-	-	-	14,962
Facilities acquisition and construction	750,532	8,600	-	29,771	788,903
Total expenditures	<u>788,162</u>	<u>8,600</u>	<u>36,125</u>	<u>29,771</u>	<u>862,658</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	353,208	(8,600)	(15,125)	(29,771)	299,712
Fund balances, July 1	862,699	49,310	15,223	29,771	957,003
Fund balances, June 30	<u>\$ 1,215,907</u>	<u>\$ 40,710</u>	<u>\$ 98</u>	<u>\$ -</u>	<u>\$ 1,256,715</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
From local sources:			
Taxes	\$ 1,031,332	\$ 1,031,332	\$ -
Intergovernmental-state	122,111	122,111	-
Total revenues	<u>1,153,443</u>	<u>1,153,443</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Other	28,468	28,468	-
Support services:			
Fiscal	14,962	14,962	-
Facilities acquisition and construction.	1,551,529	1,550,925	604
Total expenditures	<u>1,594,959</u>	<u>1,594,355</u>	<u>604</u>
Excess (deficiency) of revenues over (under) expenditures.	(441,516)	(440,912)	604
Fund balance, July 1	742,057	742,057	-
Prior year encumbrances appropriated.	<u>471,610</u>	<u>471,610</u>	<u>-</u>
Fund balance, June 30	<u>\$ 772,151</u>	<u>\$ 772,755</u>	<u>\$ 604</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Facilities acquisition and construction.	\$ 49,310	\$ 13,700	\$ 35,610
Total expenditures	<u>49,310</u>	<u>13,700</u>	<u>35,610</u>
Excess (deficiency) of revenues over (under) expenditures.	(49,310)	(13,700)	35,610
Fund balance, July 1	44,310	44,310	-
Prior year encumbrances appropriated.	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 35,610</u>	<u>\$ 35,610</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental-state	\$ 21,000	\$ 21,000	\$ -
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	272	272	-
Other	36,000	36,000	-
Total expenditures	<u>36,272</u>	<u>36,272</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	(15,272)	(15,272)	-
Fund balance, July 1	15,174	15,174	-
Prior year encumbrances appropriated.	<u>98</u>	<u>98</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POWER UP GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Facilities acquisition and construction.	\$ 29,771	\$ 29,771	\$ -
Total expenditures	<u>29,771</u>	<u>29,771</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.	(29,771)	(29,771)	-
Fund balance, July 1	29,771	29,771	-
Prior year encumbrances appropriated.	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
From local sources:			
Taxes	\$ 1,031,332	\$ 1,031,332	\$ -
Intergovernmental-state	143,111	143,111	-
Total revenues	1,174,443	1,174,443	-
Expenditures:			
Current:			
Instruction:			
Regular	272	272	-
Other	64,468	64,468	-
Support services:			
Fiscal	14,962	14,962	-
Facilities acquisition and construction.	1,630,610	1,594,396	36,214
Total expenditures	1,710,312	1,674,098	36,214
Excess (deficiency) of revenues over (under) expenditures.	(535,869)	(499,655)	36,214
Fund balance, July 1	831,312	831,312	-
Prior year encumbrances appropriated.	476,708	476,708	-
Fund balance, June 30	\$ 772,151	\$ 808,365	\$ 36,214

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 are used for school purposes or activities in connection with the District.

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

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

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

COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 2002

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
ASSETS:					
Equity in pooled cash and cash equivalents.	\$ 285,769	\$ 103,822	\$ 58,305	\$ 299,933	\$ 747,829
Receivables (net of allowances of uncollectibles):					
Accounts.	-	467	-	-	467
Due from other governments	16,401	-	-	-	16,401
Materials and supplies inventory	4,807	-	-	-	4,807
Inventory held for resale	30,384	40,509	-	-	70,893
Property, plant and equipment (net of accumulated depreciation where applicable)	321,584	-	2,536	1,892	326,012
Total assets.	\$ 658,945	\$ 144,798	\$ 60,841	\$ 301,825	\$ 1,166,409
LIABILITIES, EQUITY AND OTHER CREDITS					
LIABILITIES:					
Accounts payable.	\$ 23,557	\$ 2,414	\$ 23,557	\$ 43,300	\$ 92,828
Accrued wages and benefits payable.	78,549	-	-	5,429	83,978
Compensated absences payable	29,075	-	-	18,278	47,353
Pension obligation payable.	52,682	-	1,164	28,897	82,743
Deferred revenue.	13,346	-	-	-	13,346
Due to other governments	2,787	-	407	4,439	7,633
Total liabilities.	199,996	2,414	25,128	100,343	327,881
EQUITY AND OTHER CREDITS:					
Retained earnings:					
Unreserved.	458,949	142,384	35,713	201,482	838,528
Total equity and other credits	458,949	142,384	35,713	201,482	838,528
Total liabilities, equity and other credits.	\$ 658,945	\$ 144,798	\$ 60,841	\$ 301,825	\$ 1,166,409

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

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
Operating revenues:					
Tuition and fees	\$ -	\$ -	\$ 36,306	\$ -	\$ 36,306
Sales/charges for services	1,369,644	184,037	-	814,028	2,367,709
Other operating revenues	-	-	7,813	-	7,813
Total operating revenue	1,369,644	184,037	44,119	814,028	2,411,828
Operating expenses:					
Salaries and wages	494,260	-	10,310	333,910	838,480
Fringe benefits	183,626	-	2,357	54,133	240,116
Purchased services	22,882	568	1,187	268,881	293,518
Supplies and materials	8,794	162,023	49,154	64,838	284,809
Cost of sales	735,704	-	-	-	735,704
Depreciation	23,825	-	-	560	24,385
Other operating expenses	-	-	1,000	10,147	11,147
Total operating expenses	1,469,091	162,591	64,008	732,469	2,428,159
Operating income (loss)	(99,447)	21,446	(19,889)	81,559	(16,331)
Nonoperating revenues (expenses):					
Operating grants	60,439	-	-	-	60,439
Federal commodities	48,196	-	-	-	48,196
Interest revenue	6,520	-	-	-	6,520
Loss on disposal of fixed assets	(2,722)	-	-	-	(2,722)
Total nonoperating revenues (expenses)	112,433	-	-	-	112,433
Net income (loss) before operating transfers	12,986	21,446	(19,889)	81,559	96,102
Operating transfers in	-	-	5,000	-	5,000
Net income (loss)	12,986	21,446	(14,889)	81,559	101,102
Retained earnings, July 1	445,963	120,938	50,602	119,923	737,426
Retained earnings, June 30	\$ 458,949	\$ 142,384	\$ 35,713	\$ 201,482	\$ 838,528

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$ 1,369,644	\$ 1,369,644	\$ -
Total operating revenues	<u>1,369,644</u>	<u>1,369,644</u>	<u>-</u>
Operating expenses:			
Salaries and wages	482,251	469,336	12,915
Fringe benefits	187,128	181,542	5,586
Purchased services	40,547	24,126	16,421
Supplies and materials	800,313	732,254	68,059
Capital outlay	70,205	66,740	3,465
Other	1,600	-	1,600
Total operating expenses	<u>1,582,044</u>	<u>1,473,998</u>	<u>108,046</u>
Operating loss	<u>(212,400)</u>	<u>(104,354)</u>	<u>108,046</u>
Nonoperating revenues:			
Cash received from operating grants	52,031	52,031	-
Interest revenue	6,520	6,520	-
Refund of prior year's receipts	(784)	-	784
Total nonoperating revenues	<u>57,767</u>	<u>58,551</u>	<u>784</u>
Net loss	<u>(154,633)</u>	<u>(45,803)</u>	<u>108,830</u>
Retained earnings, July 1	149,804	149,804	-
Prior year encumbrances appropriated	101,021	101,021	-
Retained earnings, June 30	<u>\$ 96,192</u>	<u>\$ 205,022</u>	<u>\$ 108,830</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$ 103,446	\$ 103,446	\$ -
Other operating revenues	80,065	80,065	-
Total operating revenues	<u>183,511</u>	<u>183,511</u>	<u>-</u>
Operating expenses:			
Purchased services	621	579	42
Supplies and materials	221,007	178,414	42,593
Capital outlay	500	-	500
Total operating expenses	<u>222,128</u>	<u>178,993</u>	<u>43,135</u>
Operating income (loss)	<u>(38,617)</u>	<u>4,518</u>	<u>43,135</u>
Nonoperating revenues:			
Refund of prior year expenditures	59	58	(1)
Total nonoperating revenues	<u>59</u>	<u>58</u>	<u>(1)</u>
Net income (loss)	(38,558)	4,576	43,134
Retained earnings, July 1	91,491	91,491	-
Prior year encumbrances appropriated	1,834	1,834	-
Retained earnings, June 30	<u>\$ 54,767</u>	<u>\$ 97,901</u>	<u>\$ 43,134</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROTARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Tuition and fees	\$ 36,306	\$ 36,306	\$ -
Other operating revenues	7,813	7,813	-
Total operating revenues	44,119	44,119	-
Operating expenses:			
Salaries and wages	11,273	11,261	12
Fringe benefits	1,363	1,363	-
Purchased services	5,892	491	5,401
Supplies and materials	29,134	27,208	1,926
Capital outlay	25	-	25
Other	1,095	1,000	95
Total operating expenses	48,782	41,323	7,459
Operating loss	(4,663)	2,796	7,459
Nonoperating revenues (expenses):			
Advances in	-	13,201	13,201
Advances out	-	(26,402)	(26,402)
Refund of prior year's receipts	(4,132)	(4,132)	-
Operating transfers in	16,374	16,374	-
Operating transfers out	(11,374)	(11,374)	-
Total nonoperating revenues (expenses)	868	(12,333)	(13,201)
Net loss	(3,795)	(9,537)	(5,742)
Retained earnings, July 1.	62,691	62,691	-
Prior year encumbrances appropriated.	711	711	-
Retained earnings, June 30.	\$ 59,607	\$ 53,865	\$ (5,742)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$ 719,901	\$ 719,901	\$ -
Other operating revenues	94,127	94,127	-
Total operating revenues.	<u>814,028</u>	<u>814,028</u>	<u>-</u>
Operating expenses:			
Salaries and wages	327,696	323,103	4,593
Fringe benefits	59,383	52,109	7,274
Purchased services	538,867	536,972	1,895
Supplies and materials	128,370	117,409	10,961
Capital outlay	1,200	750	450
Other.	1,200	774	426
Total operating expenses	<u>1,056,716</u>	<u>1,031,117</u>	<u>25,599</u>
Operating loss.	<u>(242,688)</u>	<u>(217,089)</u>	<u>25,599</u>
Nonoperating revenues (expenses):			
Refund of prior year's receipts	(8,098)	(8,098)	-
Refund of prior year expenditures	87	87	-
Operating transfers in.	447	447	-
Operating transfers out	(501)	(447)	54
Total nonoperating expenses	<u>(8,065)</u>	<u>(8,011)</u>	<u>54</u>
Net loss	(250,753)	(225,100)	25,653
Retained earnings, July 1.	98,592	98,592	-
Prior year encumbrances appropriated.	171,228	171,228	-
Retained earnings, June 30.	<u>\$ 19,067</u>	<u>\$ 44,720</u>	<u>\$ 25,653</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Tuition and fees	\$ 36,306	\$ 36,306	\$ -
Sales/charges for services.	2,192,991	2,192,991	-
Other operating revenues.	182,005	182,005	-
Total operating revenues.	2,411,302	2,411,302	-
Operating expenses:			
Salaries and wages	821,220	803,700	17,520
Fringe benefits	247,874	235,014	12,860
Purchased services	585,927	562,168	23,759
Supplies and materials	1,178,824	1,055,285	123,539
Capital outlay	71,930	67,490	4,440
Other.	3,895	1,774	2,121
Total operating expenses	2,909,670	2,725,431	184,239
Operating loss.	(498,368)	(314,129)	184,239
Nonoperating revenues (expenses):			
Cash received from operating grants	52,031	52,031	-
Interest revenue.	6,520	6,520	-
Advances in.	-	13,201	13,201
Advances out	-	(26,402)	(26,402)
Refund of prior year's receipts	(13,014)	(12,230)	784
Refund of prior year expenditures	146	145	(1)
Operating transfers in.	16,821	16,821	-
Operating transfers out	(11,875)	(11,821)	54
Total nonoperating revenues	50,629	38,265	(12,364)
Net loss	(447,739)	(275,864)	171,875
Retained earnings, July 1.	402,578	402,578	-
Prior year encumbrances appropriated.	274,794	274,794	-
Retained earnings, June 30.	\$ 229,633	\$ 401,508	\$ 171,875

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

COMBINED STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Food Service	Uniform School Supply	Rotary	Community Education	Totals
Cash flows from operating activities:					
Cash received from tuition and fees	\$ -	\$ -	\$ 36,306	\$ -	\$ 36,306
Cash received from sales/service charges	1,369,644	183,570	-	814,028	2,367,242
Cash received from other operations.	-	-	7,813	-	7,813
Cash payments for personal services.	(650,878)	-	(12,624)	(375,212)	(1,038,714)
Cash payments for contract services.	(22,489)	(568)	(491)	(325,564)	(349,112)
Cash payments for materials and supplies	(697,739)	(172,505)	(26,899)	(74,354)	(971,497)
Cash payments for other expenses.	-	-	(1,000)	(8,785)	(9,785)
Net cash provided by (used in) operating activities. . .	<u>(1,462)</u>	<u>10,497</u>	<u>3,105</u>	<u>30,113</u>	<u>42,253</u>
Cash flows from noncapital financing activities:					
Cash received from operating grants	52,032	-	-	-	52,032
Cash received from operating transfers	-	-	5,000	-	5,000
Cash received from interfund loans	-	-	13,201	-	13,201
Cash used in repayment of interfund loans	-	-	(26,402)	-	(26,402)
Net cash provided by (used in) noncapital financing activities	<u>52,032</u>	<u>-</u>	<u>(8,201)</u>	<u>-</u>	<u>43,831</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets.	(22,147)	-	-	-	(22,147)
Net cash used in capital and related financing activities.	<u>(22,147)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,147)</u>
Cash flows from investing activities:					
Interest received	6,520	-	-	-	6,520
Net cash provided by investing activities	<u>6,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,520</u>
Net increase (decrease) in cash and cash equivalents . .	34,943	10,497	(5,096)	30,113	70,457
Cash and cash equivalents at beginning of year	250,826	93,325	63,401	269,820	677,372
Cash and cash equivalents at end of year	<u>\$ 285,769</u>	<u>\$ 103,822</u>	<u>\$ 58,305</u>	<u>\$ 299,933</u>	<u>\$ 747,829</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss).	\$ (99,447)	\$ 21,446	\$ (19,889)	\$ 81,559	\$ (16,331)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	23,825	-	-	560	24,385
Federal donated commodities	48,196	-	-	-	48,196
Changes in assets and liabilities:					
Decrease in materials and supplies inventory.	46	-	-	-	46
Increase in inventory held for resale	(3,454)	(12,491)	-	-	(15,945)
Increase in accounts receivable.	-	(467)	-	-	(467)
Increase (decrease) in accounts payable	(937)	2,009	22,951	(66,446)	(42,423)
Increase in accrued wages and benefits.	22,296	-	-	2,990	25,286
Increase in compensated absences payable	2,594	-	-	1,671	4,265
Increase (decrease) in due to other governments . .	2,787	-	(1,121)	(19,118)	(17,452)
Increase (decrease) in pension obligation payable .	(669)	-	1,164	28,897	29,392
Increase in deferred revenue	3,301	-	-	-	3,301
Net cash provided by (used in) operating activities. . .	<u>\$ (1,462)</u>	<u>\$ 10,497</u>	<u>\$ 3,105</u>	<u>\$ 30,113</u>	<u>\$ 42,253</u>
Noncash investing, capital and financing activities:					
Federal donated commodities	<u>\$ 48,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,196</u>

INTERNAL SERVICE FUNDS

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

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

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

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

COMBINING BALANCE SHEET
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2002

	Intradistrict	Self-Insurance	Computer Library	Totals
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 65,031	\$ 455,038	\$ 15	\$ 520,084
Total assets.	\$ 65,031	\$ 455,038	\$ 15	\$ 520,084
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Due to other governments	\$ -	\$ 137	\$ -	\$ 137
Claims payable	-	485,305	-	485,305
Total liabilities.	-	485,442	-	485,442
EQUITY AND OTHER CREDITS:				
Retained earnings (accumulated deficit):				
Unreserved.	65,031	(30,404)	15	34,642
Total equity and other credits	65,031	(30,404)	15	34,642
Total liabilities, equity and other credits.	\$ 65,031	\$ 455,038	\$ 15	\$ 520,084

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Intradistrict</u>	<u>Self-Insurance</u>	<u>Computer Library</u>	<u>Totals</u>
Operating revenues:				
Sales/charges for services	\$ -	\$ 4,398,774	\$ -	\$ 4,398,774
 Total operating revenue.	<u>-</u>	<u>4,398,774</u>	<u>-</u>	<u>4,398,774</u>
Operating expenses:				
Salaries and wages	-	37,625	-	37,625
Fringe benefits	-	5,579	-	5,579
Purchased services	-	670,242	-	670,242
Claims	-	3,954,005	-	3,954,005
 Total operating expenses	<u>-</u>	<u>4,667,451</u>	<u>-</u>	<u>4,667,451</u>
 Net loss	-	(268,677)	-	(268,677)
 Retained earnings, July 1	65,031	238,273	15	303,319
 Retained earnings, June 30	<u>\$ 65,031</u>	<u>\$ (30,404)</u>	<u>\$ 15</u>	<u>\$ 34,642</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTRADISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Retained earnings, July 1.	\$ 65,031	\$ 65,031	\$ -
Retained earnings, June 30.	<u>\$ 65,031</u>	<u>\$ 65,031</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$ 4,418,928	\$ 4,418,928	\$ -
Total operating revenues.	<u>4,418,928</u>	<u>4,418,928</u>	<u>-</u>
Operating expenses:			
Salaries and wages	37,625	37,625	-
Fringe benefits	8,487	8,325	162
Purchased services	670,510	670,260	250
Claims.	4,046,802	4,040,734	6,068
Total operating expenses	<u>4,763,424</u>	<u>4,756,944</u>	<u>6,480</u>
Operating loss.	<u>(344,496)</u>	<u>(338,016)</u>	<u>6,480</u>
Nonoperating revenues (expenses):			
Advances in.	-	491,917	491,917
Advances out	-	(491,917)	(491,917)
Refund of prior year expenditures	923	923	-
Operating transfers in.	3,282	3,282	-
Operating transfers out	(3,282)	(3,282)	-
Total nonoperating revenues	<u>923</u>	<u>923</u>	<u>-</u>
Net loss	<u>(343,573)</u>	<u>(337,093)</u>	<u>6,480</u>
Retained earnings, July 1.	787,601	787,601	-
Prior year encumbrances appropriated.	3,280	3,280	-
Retained earnings, June 30.	<u>\$ 447,308</u>	<u>\$ 453,788</u>	<u>\$ 6,480</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMPUTER LIBRARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Retained earnings, July 1.	\$ 15	\$ 15	\$ -
Retained earnings, June 30.	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
RETAINED EARNINGS - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sales/charges for services	\$ 4,418,928	\$ 4,418,928	\$ -
Total operating revenues.	<u>4,418,928</u>	<u>4,418,928</u>	<u>-</u>
Operating expenses:			
Salaries and wages	37,625	37,625	-
Fringe benefits	8,487	8,325	162
Purchased services	670,510	670,260	250
Other.	4,046,802	4,040,734	6,068
Total operating expenses	<u>4,763,424</u>	<u>4,756,944</u>	<u>6,480</u>
Operating loss.	<u>(344,496)</u>	<u>(338,016)</u>	<u>6,480</u>
Nonoperating revenues (expenses):			
Advances in.	-	491,917	491,917
Advances out.	-	(491,917)	(491,917)
Refund of prior year expenditures	923	923	-
Operating transfers in.	3,282	3,282	-
Operating transfers out	(3,282)	(3,282)	-
Total nonoperating revenues	<u>923</u>	<u>923</u>	<u>-</u>
Net loss	<u>(343,573)</u>	<u>(337,093)</u>	<u>6,480</u>
Retained earnings, July 1.	852,647	852,647	-
Prior year encumbrances appropriated.	3,280	3,280	-
Retained earnings, June 30.	<u>\$ 512,354</u>	<u>\$ 518,834</u>	<u>\$ 6,480</u>

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

COMBINED STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Intradistrict	Self-Insurance	Computer Library	Totals
Cash flows from operating activities:				
Cash received from sales/service charges	\$ -	\$ 4,418,928	\$ -	\$ 4,418,928
Cash payments for personal services	-	(44,750)	-	(44,750)
Cash payments for contract services	-	(669,287)	-	(669,287)
Cash payments for claims	-	(4,040,734)	-	(4,040,734)
Net cash used in operating activities	-	(335,843)	-	(335,843)
Cash flows from noncapital financing activities:				
Cash received from interfund loans	-	491,917	-	491,917
Cash used in repayment of interfund loans	-	(491,917)	-	(491,917)
Net cash provided by (used in) noncapital financing activities	-	-	-	-
Net decrease in cash and cash equivalents	-	(335,843)	-	(335,843)
Cash and cash equivalents at beginning of year	65,031	790,881	15	855,927
Cash and cash equivalents at end of year	\$ 65,031	\$ 455,038	\$ 15	\$ 520,084
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ -	\$ (268,677)	\$ -	\$ (268,677)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Changes in assets and liabilities:				
Decrease in accounts receivable	-	21,109	-	21,109
Decrease in accounts payable	-	(1,500)	-	(1,500)
Decrease in due to other governments	-	(46)	-	(46)
Decrease in claims payable	-	(86,729)	-	(86,729)
Net cash used in operating activities	\$ -	\$ (335,843)	\$ -	\$ (335,843)

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 the principal must remain intact.

AGENCY FUNDS:

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

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

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

COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS
JUNE 30, 2002

	Expendable Trust Fund	Nonexpendable Trust Fund	Agency Funds		Totals
	Special Trust	Enoch Clark	Student Activities	Six District Educational Compact	
ASSETS:					
Equity in pooled cash and cash equivalents.	\$ 9,862	\$ -	\$ 49,888	\$ 13,639	\$ 73,389
Equity in pooled cash and cash equivalents - nonexpendable trust fund	-	239	-	-	239
Receivables (net of allowances of uncollectibles): Accounts.	7,407	-	-	-	7,407
Total assets.	\$ 17,269	\$ 239	\$ 49,888	\$ 13,639	\$ 81,035
LIABILITIES, EQUITY AND OTHER CREDITS					
LIABILITIES:					
Due to students.	\$ -	\$ -	\$ 49,888	\$ -	\$ 49,888
Undistributed Monies	-	-	-	13,639	13,639
Total liabilities.	-	-	49,888	13,639	63,527
EQUITY AND OTHER CREDITS:					
Fund balances:					
Reserved for encumbrances.	186	-	-	-	186
Reserved for principal endowment	-	239	-	-	239
Unreserved-undesignated	17,083	-	-	-	17,083
Total equity and other credits	17,269	239	-	-	17,508
Total liabilities, equity and other credits.	\$ 17,269	\$ 239	\$ 49,888	\$ 13,639	\$ 81,035

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

Student Activities

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 55,568	\$ 47,636	\$ 53,316	\$ 49,888
Total assets.	<u>\$ 55,568</u>	<u>\$ 47,636</u>	<u>\$ 53,316</u>	<u>\$ 49,888</u>
LIABILITIES:				
Due to students.	\$ 55,568	\$ -	\$ 5,680	\$ 49,888
Total liabilities.	<u>\$ 55,568</u>	<u>\$ -</u>	<u>\$ 5,680</u>	<u>\$ 49,888</u>

Six District Educational Compact

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 257	\$ 150,341	\$ 136,959	\$ 13,639
Total assets.	<u>\$ 257</u>	<u>\$ 150,341</u>	<u>\$ 136,959</u>	<u>\$ 13,639</u>
LIABILITIES:				
Undistributed Monies	\$ 257	\$ 13,382	\$ -	\$ 13,639
Total liabilities.	<u>\$ 257</u>	<u>\$ 13,382</u>	<u>\$ -</u>	<u>\$ 13,639</u>

Total

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
ASSETS:				
Equity in pooled cash and cash equivalents.	\$ 55,825	\$ 197,977	\$ 190,275	\$ 63,527
Total assets.	<u>\$ 55,825</u>	<u>\$ 197,977</u>	<u>\$ 190,275</u>	<u>\$ 63,527</u>
LIABILITIES:				
Due to students.	\$ 55,568	\$ -	\$ 5,680	\$ 49,888
Undistributed Monies	257	13,382	-	13,639
Total liabilities.	<u>\$ 55,825</u>	<u>\$ 13,382</u>	<u>\$ 5,680</u>	<u>\$ 63,527</u>

GENERAL FIXED ASSET ACCOUNT GROUP

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

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

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	General Fixed Assets July 1, 2001	Additions	Reductions	General Fixed Assets June 30, 2002
Instruction	\$ 58,336,668	\$ 587,508	\$ (305,474)	\$ 58,618,702
Support services:				
Pupil	150,643	23,223	(11,724)	162,142
Instructional staff.	878,696	24,490	(1,760)	901,426
Administration	394,014	12,048	(34,214)	371,848
Fiscal	74,042	14,193	(1,984)	86,251
Business	17,746	-	-	17,746
Operations and maintenance	3,416,289	353,721	(28,839)	3,741,171
Pupil transportation	2,678,059	240,076	-	2,918,135
Support services	6,481	37,850	(2,927)	41,404
Operation of non-instructional services	10,072	2,874	-	12,946
Extracurricular activities.	120,519	6,000	-	126,519
Total General Fixed Assets.	<u>\$ 66,083,229</u>	<u>\$ 1,301,983</u>	<u>\$ (386,922)</u>	<u>\$ 66,998,290</u>

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

SCHEDULE OF GENERAL FIXED ASSETS

AS OF JUNE 30, 2002

General Fixed Assets

Land and Improvements	\$ 2,509,285
Building and Improvements	44,339,398
Furniture and Equipment	17,105,474
Textbooks	<u>3,044,133</u>
Total	<u>\$ 66,998,290</u>

Investment in General Fixed Assets

Balance Prior to 2002	\$ 66,083,229
Acquisitions during 2002:	
General Fund	488,665
Special Revenue Fund	276,047
Capital Projects Fund.	537,271
Disposals during 2002.	<u>(386,922)</u>
Total Investment.	<u>\$ 66,998,290</u>

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STATISTICAL SECTION

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

GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Revenues:				
Taxes	\$ 17,082,398	\$ 16,699,074	\$ 22,882,703	\$ 21,614,202
Tuition and Fees	13,897	4,325	4,342	1,162
Earnings on Investments	18,029	193,391	326,911	504,660
Intergovernmental	6,632,721	7,014,656	7,472,978	8,201,494
Miscellaneous Receipts	87,219	823,401	55,480	35,439
Total Revenues	<u>\$ 23,834,264</u>	<u>\$ 24,734,847</u>	<u>\$ 30,742,414</u>	<u>\$ 30,356,957</u>

Source: School District Financial Records

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 23,257,271	\$ 24,113,198	\$ 25,655,233	\$ 27,735,966	\$ 29,031,646	\$ 29,337,617
-	5,632	27,772	36,414	64,719	87,709
617,655	770,579	690,662	748,751	799,629	422,655
8,065,847	8,390,748	9,430,686	10,932,739	11,676,930	15,090,104
41,061	243,052	75,539	58,004	91,171	89,057
<u>\$ 31,981,834</u>	<u>\$ 33,523,209</u>	<u>\$ 35,879,892</u>	<u>\$ 39,511,874</u>	<u>\$ 41,664,095</u>	<u>\$ 45,027,142</u>

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

GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

	1993	1994	1995	1996
Current:				
Instruction: (1)				
Regular	\$ 14,342,754	\$ 15,658,997	\$ 16,569,627	\$ 17,704,733
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	1,161,321	1,337,217	1,331,443	1,612,974
Instructional staff	1,167,775	1,307,068	1,443,549	1,504,269
Board of Education	25,346	19,533	31,614	19,629
Administration	1,605,486	1,574,185	1,679,069	1,901,711
Fiscal	565,165	575,079	644,612	486,556
Business	184,877	213,778	178,779	201,579
Operations and maintenance	2,843,977	2,929,649	2,722,160	3,000,095
Pupil transportation	1,457,475	1,743,428	1,462,512	1,424,791
Central	44,091	43,812	49,825	87,216
Extracurricular activities	360,545	347,531	342,218	373,693
Facilities acquisition and construction	-	-	-	-
Total expenditures	\$ 23,758,812	\$ 25,750,277	\$ 26,455,408	\$ 28,317,246

Source: School District Financial Records

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

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 15,179,369	\$ 16,421,033	\$ 18,388,031	\$ 19,521,730	\$ 20,876,384	\$ 21,865,961
2,240,310	2,147,271	2,429,968	2,791,459	3,149,716	3,582,036
276,768	274,247	268,529	245,733	271,994	253,757
674,792	250,554	319,649	469,249	534,477	508,892
1,742,604	1,969,795	2,079,950	2,147,214	2,465,099	2,673,118
1,609,138	1,687,631	2,111,379	2,303,815	2,645,803	3,058,581
53,721	453,348	47,648	51,617	37,970	41,542
1,981,103	2,500,297	2,770,697	3,047,810	3,316,353	3,369,988
742,788	788,868	879,546	891,279	964,346	990,308
1,244,063	957,208	256,249	345,188	299,627	316,488
2,843,994	3,108,362	3,414,447	3,808,437	4,098,821	4,087,462
1,703,668	2,393,025	2,446,861	2,298,955	2,638,438	2,678,118
102,794	115,640	195,795	266,482	340,186	353,803
389,151	416,895	484,052	519,485	548,974	658,650
-	-	58,876	127,370	-	-
<u>\$ 30,784,263</u>	<u>\$ 33,484,174</u>	<u>\$ 36,151,677</u>	<u>\$ 38,835,823</u>	<u>\$ 42,188,188</u>	<u>\$ 44,438,704</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY TAXES (1)

LAST TEN CALENDAR YEARS

Year (2)	Current Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Current Levy	Outstanding Delinquent Taxes (3)	Ratio of Delinquent Taxes to Current Levy
2001	\$ 31,351,318	\$ 30,571,609	97.5%	\$ 1,066,522	\$ 31,638,131	100.9%	\$ 1,276,188	4.1%
2000*	30,937,041	29,837,745	96.4%	838,029	30,675,774	99.2%	1,301,677	4.2%
1999	34,699,903	33,583,292	96.8%	1,025,807	34,609,099	99.7%	1,506,282	4.3%
1998	29,689,039	28,533,435	96.1%	721,169	29,254,604	98.5%	1,632,424	5.5%
1997	29,561,314	28,808,054	97.5%	686,001	29,494,055	99.8%	1,163,164	3.9%
1996	29,108,656	28,517,648	98.0%	705,577	29,223,225	100.4%	1,030,397	3.5%
1995	28,032,062	27,337,542	97.5%	815,571	28,153,113	100.4%	1,191,059	4.2%
1994	23,139,133	22,378,712	96.7%	711,613	23,090,325	99.8%	1,121,744	4.8%
1993	22,869,547	21,967,541	96.1%	717,566	22,685,107	99.2%	1,719,959	7.5%
1992	20,538,142	19,780,053	96.3%	651,493	20,431,546	99.5%	1,515,055	7.4%

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 the collection year, 2002 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

* Calendar year 2000 does not include Homestead/Rollback taxes.

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

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN CALENDAR YEARS

Year	Agricultural and Residential Real Estate	Other Real Estate	Public Utility Personal	Tangible Personal	Total Assessed Value (1)	Estimated Actual Value	Outstanding Delinquent Taxes (3)
2002	\$ 619,744,350	\$ 95,420,340	\$ 16,195,670	\$ 62,661,329	\$ 794,021,689	\$2,268,633,397	35%
2001	609,093,050	88,225,110	18,597,560	59,073,383	774,989,103	2,214,254,580	35%
2000	595,912,690	88,834,060	20,796,730	53,202,433	758,745,913	2,192,861,665	35%
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%

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

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

Real Estate is assessed at 35 percent of actual value.

Public utility personal is assessed at 88 percent of actual value.

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

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

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 ASSESSED VALUATION)**

LAST TEN CALENDAR YEARS

Year	Government	School Levy	County Levy	City/ Village Township	Valley Fire District	Total Levy	Debt Service Included in Total Levy			
							School	County	City	Total
2002	Boston Township	\$ 75.63	\$ 13.07	\$ 7.48	\$ 6.50	\$102.68	\$ 3.10	\$ 0.36	\$ -	\$ 3.46
	Boston Heights Village	75.63	13.07	7.35	-	96.05	3.10	0.36	-	3.46
	Hudson City	75.63	13.07	-	-	88.70	3.10	0.36	2.27	5.73
	Cuyahoga Falls City	75.63	13.07	11.00	-	99.70	3.10	0.36	-	3.46
2001	Boston Township	75.73	13.07	8.48	6.50	103.78	3.20	0.36	-	3.56
	Boston Heights Village	75.73	13.07	7.35	-	96.15	3.20	0.36	-	3.56
	Hudson City	75.73	13.07	8.94	-	97.74	3.20	0.36	2.27	5.83
	Cuyahoga Falls City	75.73	13.07	11.00	-	99.80	3.20	0.36	-	3.56
2000	Boston Township	76.13	12.27	8.48	6.50	103.38	3.60	0.36	-	3.96
	Boston Heights Village	76.13	12.27	7.35	-	95.75	3.60	0.36	-	3.96
	Hudson City	76.13	12.27	9.15	-	97.55	3.60	0.36	2.40	6.36
	Cuyahoga Falls City	76.13	12.27	11.00	-	99.40	3.60	0.36	-	3.96
1999	Boston Township	76.13	12.27	8.48	6.50	103.38	3.40	0.45	-	3.85
	Boston Heights Village	76.13	12.27	8.10	-	96.50	3.40	0.45	-	3.85
	Hudson City	76.13	12.27	8.39	-	96.79	3.40	0.45	1.72	5.57
	Cuyahoga Falls City	76.13	12.27	11.00	-	99.40	3.40	0.45	-	3.85
1998	Boston Township	70.13	11.65	8.48	6.50	96.76	2.90	0.45	-	3.35
	Boston Heights Village	70.13	11.65	8.10	-	89.88	2.90	0.45	-	3.35
	Hudson City	70.13	11.65	7.82	-	89.60	2.90	0.45	1.15	4.50
	Cuyahoga Falls City	70.13	11.65	12.00	-	93.78	2.90	0.45	-	3.35
1997	Boston Township	70.73	11.39	8.48	8.00	98.60	3.50	0.49	-	3.99
	Boston Heights Village	70.73	11.39	8.10	-	90.22	3.50	0.49	-	3.99
	Hudson City	70.73	11.39	7.03	-	89.15	3.50	0.49	0.36	4.35
	Cuyahoga Falls City	70.73	11.39	12.00	-	94.12	3.50	0.49	-	3.99
1996	Boston Township	72.23	13.99	1.48	5.50	93.20	5.00	0.60	-	5.60
	Boston Heights Village	72.23	13.99	8.10	-	94.32	5.00	0.60	-	5.60
	Hudson City	72.23	13.99	7.11	-	93.33	5.00	0.60	0.44	6.04
	Cuyahoga Falls City	72.23	13.99	12.00	-	98.22	5.00	0.60	-	5.60
1995	Boston Township	72.24	14.16	1.48	5.50	93.38	5.01	0.90	-	5.91
	Boston Heights Village	72.24	14.16	8.10	-	94.50	5.01	0.90	-	5.91
	Hudson City	72.24	14.16	7.11	-	93.51	5.01	0.90	0.44	6.35
	Cuyahoga Falls City	72.24	14.16	12.00	-	98.40	5.01	0.90	-	5.91
1994	Boston Township	66.15	12.31	1.48	5.50	85.44	4.42	0.67	-	5.09
	Boston Heights Village	66.15	12.31	5.60	-	84.06	4.42	0.67	-	5.09
	Hudson City	66.15	12.31	12.45	-	90.91	4.42	0.67	0.20	5.29
	Cuyahoga Falls City	66.15	12.31	12.00	-	90.46	4.42	0.67	-	5.09
	Hudson Village/Township	66.15	12.31	6.87	-	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	-	5.61
	Boston Heights Village	66.65	12.59	5.60	-	84.84	4.92	0.69	-	5.61
	Hudson City	66.65	12.59	12.30	-	91.54	4.92	0.69	0.55	6.16
	Cuyahoga Falls City	66.65	12.59	12.00	-	91.24	4.92	0.69	-	5.61
	Hudson Village/Township	66.65	12.59	6.81	-	86.05	4.92	0.69	0.64	6.25

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

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

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2002

Assessed Valuation (2002)	<u>\$ 794,021,689</u>
Bonded Debt Limit - 9% of Assessed Value (1)	<u>\$ 71,461,952</u>
Outstanding Debt:	
General Obligation Bonded Debt	<u>13,372,888</u>
Total Outstanding Debt	<u>13,372,888</u>
Exemptions	
Energy Conservation Bonded Debt	<u>1,073,008</u>
Total Exemptions	<u>1,073,008</u>
Less: Amount available in Debt Service fund	<u>1,226,759</u>
Amount of Debt applicable to Debt Limit	<u>11,073,121</u>
<i>Voted Debt Margin</i> (Debt Limitation Minus Amount of Debt applicable to Debt Limit)	<u>\$ 60,388,831</u>
Bonded Debt Limit - .10% of Assessed Value (1)	\$ 794,022
Amount of Debt applicable	<u>-</u>
<i>Unvoted Debt Margin</i>	<u>\$ 794,022</u>

Source: Summit County Auditor and School District Financial Records.

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

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

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Gross Bonded Debt (1)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2002	\$ 13,372,888	\$ 1,226,759	\$ 12,146,129	\$ 794,021,689	22,593	1.53%	\$ 538
2001	15,392,088	1,200,720	14,191,368	774,989,103	22,439	1.83%	632
2000	17,353,914	1,198,262	16,155,652	758,745,913	22,139	2.13%	730
1999	19,288,729	1,098,259	18,190,470	724,517,265	21,839	2.51%	833
1998	21,136,880	1,354,025	19,782,855	713,702,601	21,541	2.77%	918
1997	22,771,880	1,627,737	21,144,143	695,892,231	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

Source: Summit County Auditor and School District Financial Records

(1) No debt is applicable to enterprise funds.

(2) Estimated by City of Hudson.

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

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
2002	\$ 2,069,200	\$ 612,586	\$ 2,681,786	\$ 44,438,704	6.03%
2001	1,961,826	706,068	2,667,894	42,188,188	6.32%
2000	1,934,815	798,199	2,733,014	38,835,823	7.04%
1999	1,848,151	885,790	2,733,941	36,151,677	7.56%
1998	1,635,000	878,693	2,513,693	33,484,174	7.51%
1997	1,530,000	944,880	2,474,880	30,784,263	8.04%
1996	1,375,000	1,001,220	2,376,220	28,317,246	8.39%
1995	1,270,000	1,047,460	2,317,460	26,455,408	8.76%
1994	3,305,000	2,162,720	5,467,720	25,750,277	21.23%
1993	45,000	1,362,596	1,407,596	23,758,812	5.92%

Source: School District Financial Records.

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

COMPUTATION OF DIRECT AND OVERLAPPING
GENERAL OBLIGATION BONDED DEBT

DECEMBER 31, 2001

Jurisdiction	General Obligation Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Hudson City School District	\$ 13,372,888	100.00%	\$ 13,372,888
Total Direct	<u>\$ 13,372,888</u>		<u>13,372,888</u>
Overlapping:			
City of Hudson	15,320,000	99.43%	15,232,702
Summit County	89,646,628	7.43%	6,661,146
Metro Transit	1,765,000	7.43%	131,147
City of Cuyahoga Falls	12,845,637	0.63%	81,236
Total Overlapping	<u>119,577,265</u>		<u>22,106,231</u>
Grand total direct and overlapping	<u>\$ 132,950,153</u>		<u>\$ 35,479,119</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 2001 collection year.

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

DEMOGRAPHIC STATISTICS

LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Building Permits (1)(2)</u>	<u>Average Family Income</u>	<u>State Rank</u>	<u>Median Family Income</u>	<u>State Rank</u>
2001	22,593	*	*	*	*	*
2000	22,439	72	103,696	9	59,796	1
1999	22,139	100	99,532	10	60,872	2
1998	21,839	99	95,897	10	58,191	2
1997	21,247	100	97,195	7	54,175	2
1996	20,873	100	89,602	9	50,516	2
1995	19,535	110	77,279	9	48,281	1
1994	19,322	122	73,953	9	46,574	2
1993	19,109	357	71,936	11	45,102	2
1992	18,896	231	71,291	9	*	*

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.

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

* Information not available.

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

PROPERTY VALUE, CONSTRUCTION AND FINANCIAL INSTITUTION DEPOSITS

LAST TEN CALENDAR YEARS

Year	Real Property Value (1)			New Construction (1)			Financial Institution Deposits (2)
	Agriculture Residential	Commercial Industrial	Tax Exempt	Agriculture Residential (3)	Commercial Industrial (3)	Total	
2002	\$1,769,956,857	\$ 273,370,829	\$ 68,385,380	\$ 11,409,940	\$ 3,715,180	\$ 15,125,120	\$8,094,727,000
2001	1,740,265,857	252,071,743	66,417,500	12,721,440	3,617,970	16,339,410	7,770,612,000
2000	1,702,607,686	253,811,600	62,233,530	10,949,710	3,083,480	14,033,190	7,836,388,000
1999	1,616,253,086	237,445,143	61,188,040	13,298,060	2,932,940	16,231,000	6,858,863,000
1998	1,580,160,600	241,287,771	61,188,040	11,534,623	5,437,450	16,972,073	5,749,282,000
1997	1,542,270,743	225,014,286	55,948,300	14,402,110	3,657,480	18,059,590	3,344,418,000
1996	1,295,739,829	206,182,686	55,948,320	19,850,920	1,804,700	21,655,620	4,353,857,000
1996	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

Source:

(1) City of Hudson Engineering Department.

(2) Commercial bank deposits in Summit County as of December 31 except 2002 which is as of June 30. Source is Federal Reserve Bank of Cleveland.

(3) Summit County Auditor - DTE 93.

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

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX

DECEMBER 31, 2001

Name of Taxpayer	Assessed Value (1)	Percent of Real Assessed Value
Allstate Insurance	\$ 7,233,310	0.99%
Little Tikes	5,774,870	0.79%
Jagi Cleveland-Hudson LLC	3,718,490	0.51%
Fabri-Centers of America, Inc.	3,290,730	0.45%
Flood Company	2,111,510	0.29%
Georgetown Development	1,937,880	0.26%
Hudson-Omni III LTD	1,833,300	0.25%
Kobelco Stewart Bolling	1,611,720	0.22%
Alltel Service Company	1,569,680	0.21%
Title Guarantee & Trust - Trustee	1,533,350	0.21%
<i>Total</i>	<u>\$ 30,614,840</u>	<u>4.19%</u>
 <i>Total Real Assessed Value</i>	 <u>\$ 731,360,360</u>	

Source: Summit County Auditor

(1) Assessed Values are for 2002.

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX

DECEMBER 31, 2001

Name of Taxpayer	Assessed Value (1)	Percent of Tangible Assessed Value
Rubbermaid, Inc.	\$ 9,553,430	15.25%
IBM Credit Corporation	9,127,610	14.57%
JoAnn Stores, Inc.	5,820,030	9.29%
T.E. Clarke Ford, Inc.	4,426,660	7.06%
Swagelok Quick Connect	3,503,240	5.59%
Fedex Supply Chain Services, Inc.	2,382,170	3.80%
Kobelco Stewart Bolling, Inc.	2,125,710	3.39%
Ramco Specialties, Inc.	1,912,780	3.05%
IXC Business Services, L.L.C.	1,411,190	2.25%
Flood Company	1,109,990	1.77%
<i>Total</i>	<u>\$ 41,372,810</u>	<u>66.03%</u>
 <i>Total Real Assessed Value</i>	 <u>\$ 62,661,329</u>	

Source: Summit County Auditor

(1) Assessed Values are for 2002.

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

TEN YEAR ATTENDANCE DATA

School Year Ended	Number of Graduates	Average Daily Membership (ADM)	Student Attendance Rate	Full-Time Equivalent Certified Staff	Full-Time Equivalent Support Staff	Full-Time Equivalent Total Staff	Attendance Rate Total Staff
2002	399	5,266	95.9	441.66	271.40	713.06	97.0
2001	371	5,188	95.7	424.74	248.08	672.82	97.3
2000	367	5,172	95.4	411.69	242.00	653.69	97.3
1999	398	5,240	95.1	403.02	228.32	631.34	97.4
1998	335	5,140	95.5	381.35	235.13	616.48	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	559.88	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	4591	95.7	303.95	178.28	482.23	97.7

Source: School District Year End Summary Report 1993 - 2002
School District Data Trend Report 1993 - 1997
School District Annual Reports

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

TEN YEAR ENROLLMENT HISTORY

SCHOOL YEAR 1992 - 1993 TO SCHOOL YEAR 2001 - 2002

<u>Grade/Year</u>	<u>1992-1993</u>	<u>1993-1994</u>	<u>1994-1995</u>	<u>1995-1996</u>	<u>1996-1997</u>	<u>1997-1998</u>	<u>1998-1999</u>	<u>1999-2000</u>	<u>2000-2001</u>	<u>2001-2002</u>
PS	12	22	44	42	50	47	43	41	43	66
K	332	402	376	388	385	388	350	370	346	333
1	376	360	439	426	415	408	419	390	378	386
2	413	398	391	435	428	410	399	417	391	398
3	368	421	411	418	444	429	419	407	426	403
4	366	395	447	432	428	437	444	436	423	443
5	389	381	416	458	449	425	451	450	445	436
Elementary	<u>2,256</u>	<u>2,379</u>	<u>2,524</u>	<u>2,599</u>	<u>2,599</u>	<u>2,544</u>	<u>2,525</u>	<u>2,511</u>	<u>2,452</u>	<u>2,465</u>
6	415	402	387	436	465	439	429	451	444	465
7	379	426	415	404	434	460	458	426	453	451
8	408	388	442	417	408	440	454	470	440	459
Middle	<u>1,202</u>	<u>1,216</u>	<u>1,244</u>	<u>1,257</u>	<u>1,307</u>	<u>1,339</u>	<u>1,341</u>	<u>1,347</u>	<u>1,337</u>	<u>1,375</u>
9	351	373	371	431	407	392	428	454	468	451
10	353	362	381	369	409	383	391	407	450	455
11	287	365	349	392	362	425	389	389	401	430
12	296	289	339	349	378	358	427	389	387	403
High	<u>1,287</u>	<u>1,389</u>	<u>1,440</u>	<u>1,541</u>	<u>1,556</u>	<u>1,558</u>	<u>1,635</u>	<u>1,639</u>	<u>1,706</u>	<u>1,739</u>
SCEC	<u>17</u>	<u>18</u>	<u>4</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>5</u>
Ungradeable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total	<u>4,762</u>	<u>5,002</u>	<u>5,212</u>	<u>5,401</u>	<u>5,468</u>	<u>5,449</u>	<u>5,506</u>	<u>5,503</u>	<u>5,501</u>	<u>5,588</u>

Source: School District Student Records.

October Reporting Period

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

FIVE YEAR ENROLLMENT PROJECTION

SCHOOL YEAR 2003 - 2004 TO SCHOOL YEAR 2007 - 2008

Grade/Year	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
PS	70	71	72	72	74
K	351	352	357	352	353
1	387	391	378	396	381
2	357	385	409	378	398
3	386	366	390	417	390
4	418	405	378	410	438
5	441	432	414	388	423
Elementary	<u>2,410</u>	<u>2,402</u>	<u>2,398</u>	<u>2,413</u>	<u>2,457</u>
6	467	452	444	425	401
7	456	481	463	453	436
8	497	467	488	477	462
Middle	<u>1,420</u>	<u>1,400</u>	<u>1,395</u>	<u>1,355</u>	<u>1,299</u>
9	458	493	465	478	473
10	429	456	471	451	465
11	434	429	445	466	452
12	465	435	427	449	466
High	<u>1,786</u>	<u>1,813</u>	<u>1,808</u>	<u>1,844</u>	<u>1,856</u>
SCEC	<u>3</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total	<u><u>5,619</u></u>	<u><u>5,619</u></u>	<u><u>5,606</u></u>	<u><u>5,617</u></u>	<u><u>5,617</u></u>
Change	16	-	(13)	11	-

In the past, Hudson City School District used a software package for estimating enrollment projections based upon the cohort survival method. That software prepared a 10-year projection which has been included in past reports. That software is no longer available. The new software provides a 5-year enrollment projection.

Source: School District Student Records.

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

COST TO EDUCATE A 2002 GRADUATE
HUDSON CITY SCHOOL DISTRICT VERSUS STATE OF OHIO

<u>School Year Ended</u>	<u>Grade</u>	<u>Hudson Annual per Pupil Cost</u>	<u>State Average</u>
2002	12	\$ 8,873	\$ 8,057 *
2001	11	8,584	7,564
2000	10	7,929	7,057
1999	9	7,427	6,642
1998	8	6,966	6,232
1997	7	6,399	5,936
1996	6	5,597	5,466
1995	5	5,428	5,391
1994	4	5,377	5,241
1993	3	5,242	5,024
1992	2	4,789	4,600
1991	1	4,601	4,588
1990	Kindergarten	<u>4,267</u>	<u>4,475</u>
Total Cost		<u>\$ 81,479</u>	<u>\$ 76,273</u>

* Preliminary

Source: Cost per Pupil-State of Ohio Department of Education 1989 - 1992.
School District Profile-State of Ohio Department of Education 1993 - 1996.
School District Expenditure Flow Model 1997 - 2001.

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

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

EDUCATIONAL STATISTICS

LAST FIVE SCHOOL YEARS

	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002
Advance Placement Tests					
% of Grades Scoring a 3 or Better Out of 5 (1)	87	86	83	76	78
ACT Composite Scores (Averages)					
Hudson High School	24.3	23.7	24.7	24.0	24.4
National	20.8	21.0	21.0	21.0	20.8
SAT Scores (Averages) - Hudson High School					
Verbal	541	537	548	537	529
Mathematics	570	562	572	557	559
California Test of Basic Skills (Total Battery)					
Mean National Percentile					
Grade 3	76.4	78.4	79.7	79.7	78.1
Grade 5	81.1	82.0	84.4	84.4	83.5
Grade 7	86.8	87.7	79.5	89.5	88.4
Grade 9	*	*	*	85.5	-
4th Grade Proficiency Tests (2)					
(Percent Achieving Proficient Standard)					
Writing	85	85	94	94	95.9
Reading	89	80	83	80	86.8
Mathematics	81	77	71	80	84.4
Citizenship	94	92	86	90	90.7
Science	*	74	73	79	88.2
6th Grade Proficiency Tests: (Passing on First Attempt)					
Writing	96	94	90	95	95.7
Reading	92	79	77	85	84.0
Mathematics	77	86	80	85	86.2
Citizenship	90	93	90	89	92.4
Science	77	74	79	83	82.9
9th Grade Proficiency Tests: (Passing on First Attempt)					
Writing	96	98	97	99	97.6
Reading	97	98	98	98	98.1
Mathematics	90	93	91	90	92.3
Citizenship	92	96	95	93	96.5
Science	88	94	95	93	94.6
12th Grade Proficiency Tests (3):					
(Percent Achieving Proficient Standard)					
Writing	96	93	96	97	N/A
Reading	93	89	90	93	N/A
Mathematics	88	82	91	90	N/A
Citizenship	80	81	89	90	N/A
Science	*	83	91	91	N/A
National Merit Scholarship Program					
Semi-Finalists	7	7	7	3	3
Commended	10	10	14	7	7

* Not administered

(1) The criteria for taking advanced placement courses have been extended to include more students in 2001.

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

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

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HUDSON CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 20, 2003**