



OUR FINANCIAL STORY



Treasurer's Message



As we reach the mid point of the school year, it's exciting to see how much has already been accomplished this school year. We hope your family is enjoying the school year and that your student(s) are thriving, learning, and growing each day.

We operate with an overall budget of \$60 million, which supports not only maintenance and upgrades but also funds the salaries of 450 dedicated

staff members. These employees play a vital role in providing the district's Triple A experience—Academics, Arts, and Athletics—for our students. Their daily contributions ensure that every aspect of our district functions effectively and efficiently, supporting student success in all areas.

Financially, we remain balanced while addressing the district's needs in maintenance, technology, transportation, and education. We recently replaced the track at the high school, which had served the district well beyond its expected lifespan. All delayed bus units, held up due to supply chain issues, have been received, giving our aging fleet a much-needed refresh. We've also replaced multiple HVAC units to ensure reliability

and efficiency, and completed repairs on several parking lots, making them safer and more appealing. Our goal is to preserve, protect, and maintain the district's operational assets.

We continue to invest in classroom technology to ensure that our students have a secure, stable learning environment with up-to-date devices compatible with today's software. Additional investments have been made to protect our network and servers from cyber attacks.

The 2024-2025 school year will present some financial challenges as the additional ESSER funds received over the past three years have ended, and current state aid will be slightly reduced, with the state identifying us as a "wealthy" district. As the state begins work on the new biennium budget for the 2025-2026 school year, it's crucial that we position ourselves well now, as we don't foresee an increase in state aid.

We will continue to plan, monitor, and adjust as needed to maintain our financial stability. We take pride in being good stewards of the funds entrusted to us and work hard to ensure that our students receive the best educational experience possible. Thank you for your trust and support.

Brett Robson
Treasurer/CFO

Olmsted Falls City Schools Recognized for Financial Excellence and Transparency

Olmsted Falls City Schools is honored to have received both the Auditor of State Award and a four-star rating through the STAR Rating System. These recognitions highlight our district's commitment to financial responsibility and transparency.



Auditor of State Award

The Auditor of State's Office presents this award to local governments and school districts that meet the highest standards in financial reporting. To qualify, the district's financial audit must result in a "clean" audit report, which includes timely financial submissions, compliance with GAAP (Generally Accepted Accounting Principles), and no findings of recovery, material weaknesses, or compliance issues. This award acknowledges our rigorous standards in financial accountability.

Four-Star Rating through the STAR Rating System

In addition to the Auditor of State Award, Olmsted Falls City Schools earned a four-star rating, the highest level in the STAR Rating System. This rating is awarded to public offices that exceed basic requirements by implementing five or more best practices for open and transparent governance, as outlined in Ohio's Sunshine Laws.

These achievements represent our dedication to maintaining high standards of financial management and transparency, ensuring that our community can have full confidence in the district's operations.

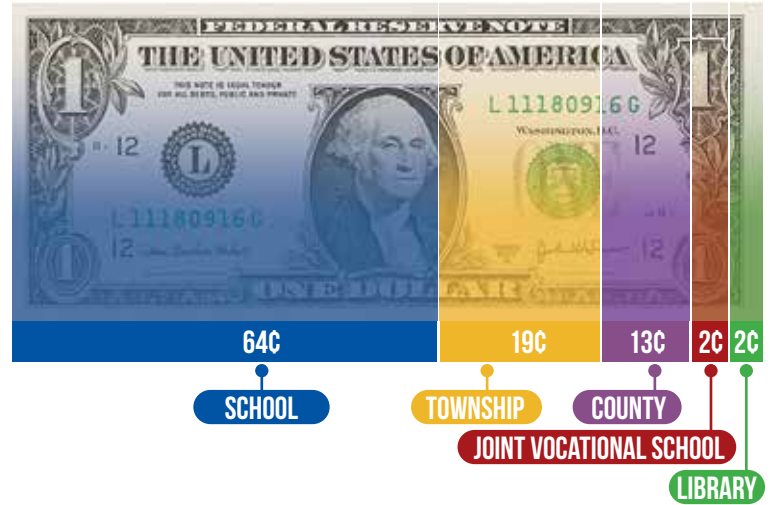
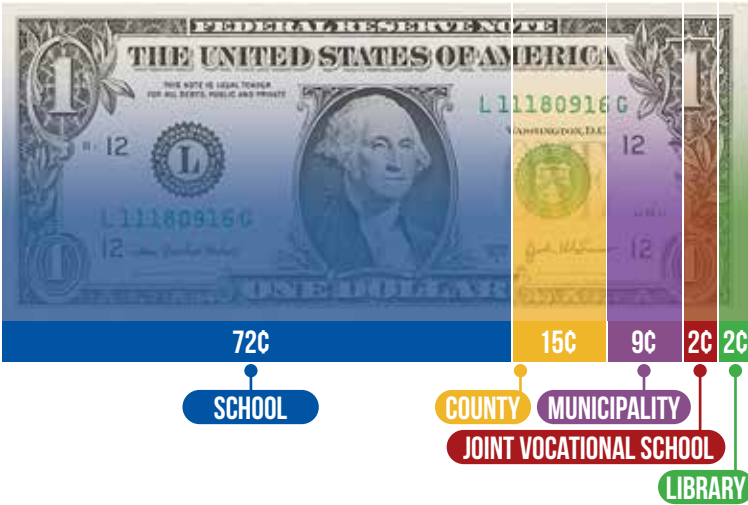


PROPERTY TAX BREAKDOWN

All residents and businesses located in Olmsted Falls City Schools boundaries pay taxes to the school district. Here is a breakdown of where your tax dollars go if you live or have a business in our two largest communities served: the city of Olmsted Falls and Olmsted Township.

City of Olmsted Falls

Olmsted Township

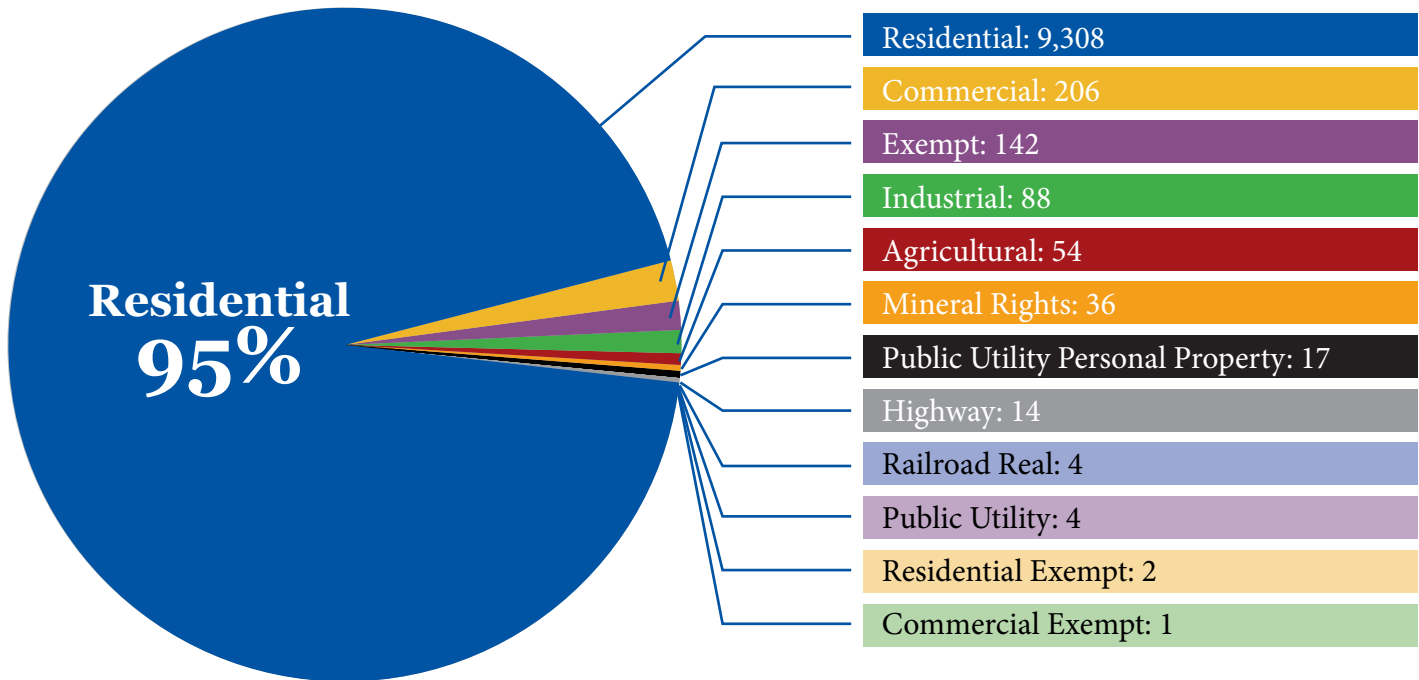


Source: Cuyahoga County Fiscal Office.

Property Tax Resources: 95% Contribution from Homeowners

Property taxes that fund our schools and community services come from two main categories: Class 1 (residential and agricultural) and Class 2 (commercial, industrial, and other non-residential). In Olmsted Falls City Schools, nearly 95% of funding comes from Class 1, meaning households primarily support district funding.

Parcel Count by Property Class Type



Source: Cuyahoga County Fiscal Office.

Impact of Home Value Increases on Property Taxes

We understand that the recent rise in property values across the county has caused concern for many homeowners. It's natural to feel unsettled after receiving notice of a significant increase in your home's market value and to worry about the effect on your property taxes. However, it's important to know that while

property values have increased, the district does not receive a proportional increase in revenue due to state laws like House Bill 920. Similarly, the rise in your property taxes will not directly reflect the increase in your home's value.

What is HB 920?

House Bill 920, enacted in 1976, ensures that school districts do not automatically receive additional revenue when property values increase. The law adjusts tax rates downward when home values rise, meaning the district only collects the amount of money that voters originally approved. This prevents inflation from causing disproportionate increases in tax bills, providing a safeguard for homeowners.



Understanding Property Taxes and Levy Impact

When collecting money for a levy, officials assess the entire taxing district rather than individual properties alone. For example, if your home's value rises by 10% but your neighbors' homes increase by 30%, your taxes could actually decrease. The increase isn't necessarily one-for-one.

The math behind this is complex, and state law adds layers of nuance. The simplest way to understand it is this: Most people will see a tax increase, as some property taxes rise with inflation. However, not all of the taxes in our overall bill adjust directly with inflation. For more information on estimating your property tax, visit the Cuyahoga County Budget Commission's resource here.



HB 920 and Revenue for Schools

While property values may have increased, the revenue we receive remains largely unchanged unless a new levy is passed. Under House Bill 920, the district does not see inflationary growth in its funding from rising property values, except for inside millage – this allows each taxing district to collect up to 10 mills without voter approval; in Olmsted Falls' case, that amount is 5 mills. As a result, any increase in tax revenue is minimal and not sufficient to cover the rising costs of maintaining facilities, programs, and educational resources for our students.

Source: Cuyahoga County Fiscal Office.

Olmsted Falls City Schools School Taxes

Voted Taxes:
106.90 mills

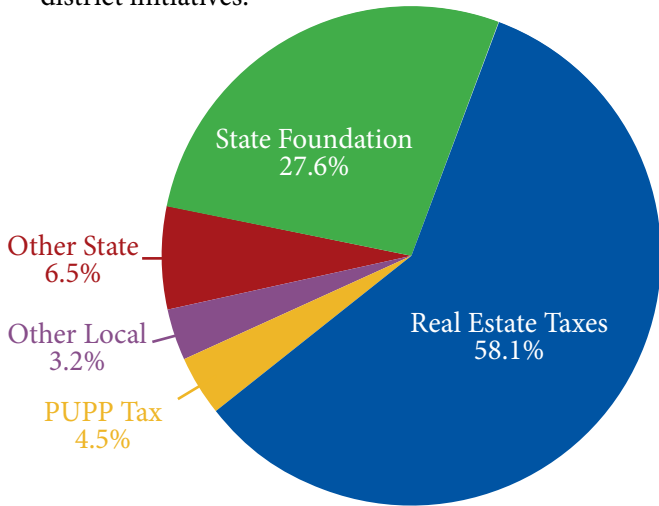
Effective Tax Rate:

Residential/
Ag: 50.06 mills
Non-Residential/
Ag: 52.50 mills

Fiscal Operations

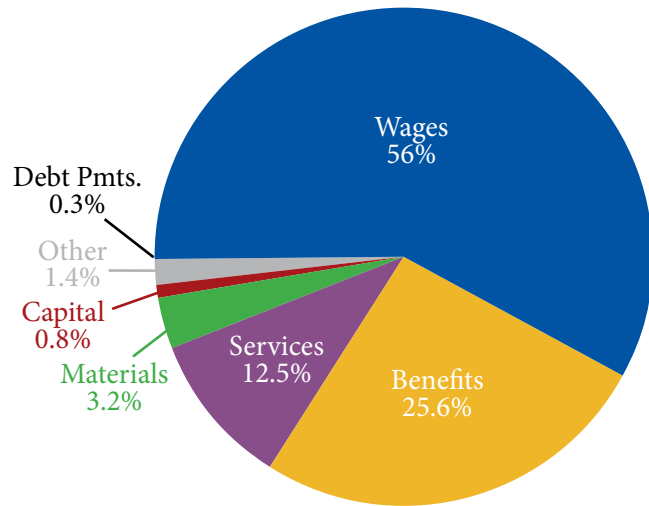
Revenue Overview

Our district's revenue comes from several key sources, including local, state, and other funds. This year, we've seen a slight shift in the distribution of these funds compared to last year. Local contributions continue to be the largest source of revenue, while state funding has remained consistent. Notably, other sources, such as grants, have increased, providing additional support for district initiatives.



Expenditure Overview

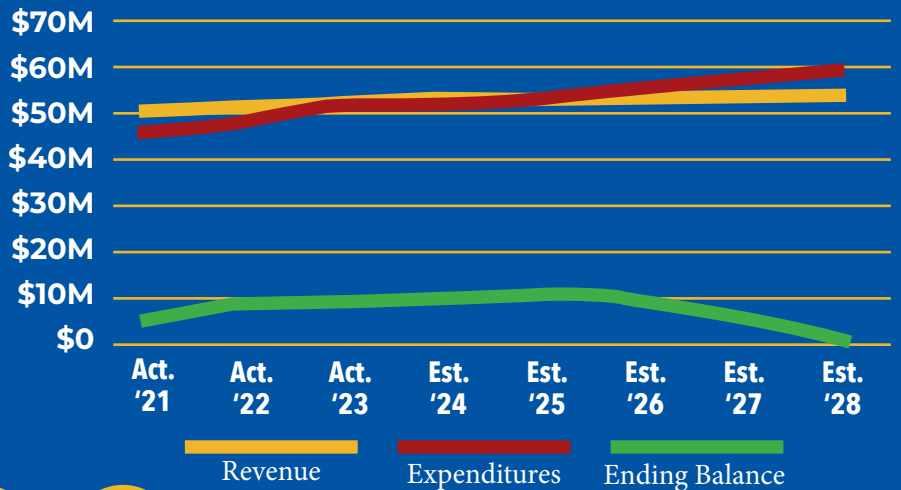
The general fund expenditures cover salaries, benefits, purchased services, supplies, capital expenses, and other fees. Salaries and benefits continue to make up the largest portion of our budget, while investments in capital projects have slightly increased. We've also realigned our spending priorities to focus on infrastructure improvements and long-term sustainability.



Five-Year Financial Forecast

A five-year financial forecast is a tool school districts use to project revenues, expenditures, and cash balances over a multi-year period. This forecast allows district leaders and community stakeholders to engage in long-term financial planning, ensuring the district remains fiscally responsible. It also helps identify potential financial challenges, enabling proactive measures to be taken before deficits arise.

The latest forecast was presented to the board of education in May of 2024. Olmsted Falls City Schools will face increasing financial pressure over the next few years as expenditures rise faster than revenues. The cash balance will steadily decrease, leading to a potential fiscal challenge by 2028.



Budget Challenges

Several key factors are putting increased pressure on our budget:



ESSER Funding

Federal COVID-19 relief funds (ESSER) that helped support our schools have now expired.



Inflation

Like many households, Olmsted Falls City Schools is also feeling the impact of rising costs in areas like food, utilities, healthcare, and building maintenance.



Home Valuations

Even though home values have surged recently, Ohio's House Bill 920 limits the revenue school districts can collect from property taxes, keeping school funding relatively flat.



Aging Facilities

As our buildings continue to age, more of our operating budget must be directed to upkeep, potentially diverting funds from educational programs.

Due to Ohio's school funding structure, Olmsted Falls City Schools rely heavily on local property taxes and the passage of new levies to sustain our Triple A experience—which focuses on excellence in academics, arts, and athletics. A recent trend we're seeing is the need for more frequent levies. Where we once could go years or even decades between new levies, today's financial realities require us to request new funding more often to keep pace with inflation.

We understand the financial challenges our community faces and are committed to proposing levies that are both necessary and reasonable. This approach helps us continue delivering the high-quality education and experiences our students deserve without overburdening our community.

Fundraising and Grants Update

Olmsted Falls City Schools has made significant strides in securing grants to boost financial health and reduce reliance on the general fund. As of September 2024, the district has fully expended both rounds of the OFCC Safety Grant (2022-23), totaling \$500,000 for critical safety improvements. Additionally, a new \$36,321 BWC Safety Intervention Grant will support updated equipment to enhance school safety. Federal programs like ESSER have also helped preserve the general fund, saving \$500,000 for cafeteria needs. While ESSER funding has ended, these grants continue to ease financial pressure, allowing us to focus on quality education and fiscal responsibility.

Enrollment and Staffing

Our updated enrollment projections indicate that student numbers will remain steady in the coming years, even with the addition of new housing units in the district. We are reviewing staffing needs to ensure that our student-teacher ratios remain optimal for student success. While no significant changes in staffing have been made, we continue to monitor these needs closely to maintain the high level of support our students receive.

Permanent Improvement Projects

Olmsted Falls has a 1.0 mill permanent improvement (PI) levy, which funds long-term school infrastructure projects lasting five years or more. These funds support building renovations, facility upgrades, technology improvements, and other capital needs essential to student learning. Unlike operating levies that cover day-to-day expenses, PI levies focus on maintaining and enhancing buildings and resources without using general fund dollars. This helps ensure that facilities remain safe and current for students and staff.

The White House on Bagley: Why Build a New Central Office?

If you've driven past Olmsted Falls High School on Bagley Road, you might have noticed the small white ranch house serving as the Board of Education office. Inside, 17 staff members handle essential district tasks—payroll, student services, HR, and community engagement—many of which require daily, on-site collaboration. Originally a temporary solution 25 years ago, the building is now outdated, cramped, and not ADA-compliant. Staff are working in closets, shared spaces, and even under stairways. Renovation would cost over \$1 million and still wouldn't resolve these issues, so the district plans to build a new, efficient office on the same site. Funded through retired debt, this project will not increase taxes.

The new office will consolidate staff currently scattered across locations, provide proper meeting areas, and host Board meetings and professional development. Construction begins in early 2025, with completion by early 2026.



Staff work in makeshift and shared spaces wherever room can be found.

Food Service Department's Self-Sufficiency Benefits Educational Funding

For several years, the Food Service Department has operated independently, requiring no additional support from the district's general fund. This self-sustaining model allows more general fund dollars to be directed toward educational needs, benefiting students and staff district-wide. By focusing on delivering nutritious meals tailored to student preferences, the department ensures high participation, which strengthens its financial health. Recent equipment upgrades have streamlined meal prep, reduced waste, and improved staff workflow. Proactively meeting new nutritional standards, the team upholds the district's commitment to health and financial responsibility, all while preserving general fund resources for education.



Finance Advisory Committee

Our Finance Advisory Committee has been actively involved in guiding our financial decisions. Over the past year, the committee has worked on several key initiatives, including community engagement efforts that have helped us gain valuable feedback on our financial priorities.

Members include:

Brett Robson	David Willson	Kelly Walker
Holly McFadden	Jeremy Dobos	Cynthia Tomasch
Jon Vas	John Parkowski	Mark McAllise

Facilities Master Planning Committee

Our Facilities Committee has been instrumental in overseeing ongoing projects and ensuring that our schools are well-maintained. The committee has met regularly to discuss progress on renovations and other improvements. We encourage the community to get involved in upcoming engagement opportunities.

Members include:

Jeremy Dobos	Brett Iafigliola	Lauren Rinas	Kevin Krepop - AVG	Brett Robson
Mary Kate Evans	Heath Krakowiak	Ryan Schaupp	Julianne Allen	Bob Perez
John Gonzales	Amy Lauderdale	Ashley Shaw	Shannon Goss	Jennifer Jackson
Larry Hamilton	Angela McNeeley	Syed Abbas - AVG	Jim Lloyd	Lisa Williams
Ryan Henton	Evan Norris	Murtaza Abbas - AVG	Kim Petrina	Don Svec

Master Facilities Plan Update

Throughout the summer of 2024, work on our district’s Master Facilities Plan continued behind the scenes, keeping us on track to recommend a plan for the board’s review in early 2025. While the committee didn’t formally meet during the summer, we made significant progress by researching and discussing various options for the future of our district’s facilities.

Our next step is to share these findings with the community, beginning with a presentation to the Key Communicator group in November 2024. This will be a valuable opportunity to gather feedback from a diverse group of stakeholders. Our goal is to ensure the final plan reflects the shared vision of our community and can guide the district for years to come.

OFCS FACILITIES MASTER PLANNING TIMELINE

<p>SEPT. 2023 PRE-PLANNING</p> <p>Identify potential committee members</p> <p>Announce launch of facilities master planning process</p>	<p>OCT. 2023 MEETING #1</p> <p>Facilities Master Planning Process</p> <p>Overview of current OFCS facilities</p> <p>Review of OFCS facilities assessments</p>	<p>DEC. 2023 MEETING #2</p> <p>Educational Visioning: Modern Learning Spaces</p> <p>Ancillary Facilities: Atkinson Transportation Facility</p>	<p>FEB. 2024 FACILITY VISITS</p> <p>In-District - What we have?</p> <p>Out-of-District - What is out there to consider?</p>
<p>MAR. 2024 MEETING #3</p> <p>Review of February Site Visits</p> <p>Deferred Maintenance</p> <p>Breakout Discussions</p>	<p>MAY 2024 MEETING #4</p> <p>Consensus building exercises</p> <p>Prioritizing the Projects</p>	<p>FALL 2024</p> <p>Community Engagement Begins w/ Key Communicators and PTA Council Presentations</p>	<p>WINTER 2024</p> <p>Focus Groups in Our Community & Data Collection</p>
<p>SPRING 2025</p> <p>Present Master Facilities Plan Recommendations to Olmsted Falls Board of Education</p>			

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DID YOU KNOW?

The Impact of Private School Vouchers on Olmsted Falls City Schools

The recent expansion of Ohio's private school voucher program, which now allows families of all income levels to receive vouchers for private education, poses a significant threat to public schools like those in Olmsted Falls City Schools. With the program's 2023-24 school year cost exceeding \$1 billion, public schools are increasingly losing vital state funding.

Originally, the voucher system began as a small pilot program, providing \$1,229 per voucher. Today, the amount has increased to \$6,165 for K-8 students and \$8,407 for high school students, while Olmsted Falls receives just \$2,620 per pupil from the state. This disparity drains resources from our public schools, leaving districts like ours with fewer funds to support students. The reduced state funding also pressures local districts to rely more heavily on property taxes, increasing the burden on local taxpayers.

In addition, public school students consistently outperform their private school peers academically. Study after study in Ohio shows that public school students achieve better results on standardized tests.

With the voucher system continuing to grow, districts like ours will face ongoing financial challenges. This is why public engagement and awareness about this issue are critical to ensuring that public schools remain adequately funded to serve their communities effectively.