



TREASURER'S OFFICE *of the* CUYAHOGA FALLS CITY SCHOOL DISTRICT



SCHOOL INFORMATION AND DEMOGRAPHICS

The Cuyahoga Falls City School District is 10 square miles and located in Summit County and is approximately 5 miles north of Akron and 35 miles south of Cleveland. The District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the District. The District currently operates 9 school buildings: one high school (grades 9-12), two middle schools (grades 6-8) and six elementary schools (K-5). In FY 2016-17, Cuyahoga Falls City School District averaged 4,827 students.

The first official body designated as the Cuyahoga Falls Board of Education was formed on April 18, 1853. At that time, both the township and school district of Cuyahoga Falls were formalized with school enrollment at 482 students.

According to the United States Census Bureau's 2010 Census, the District's population of 49,652 residents includes 23,859 housing units of which 26.1 percent had children. The median age in Cuyahoga Falls is 39.4.

Cuyahoga Falls CSD receives the majority of its revenues from property taxes, which comprise approximately 59 percent of its total operating revenue, excluding revenues related to notes, transfers, and advances.

Cuyahoga Falls CSD has three continuing operating levies (levies are voted tax on property that is collected to support the district) and three 5-year operating levies (require a renewal vote every 5 years) totaling 36.0 outside mills. One mill is equal to 1/1,000th of assessed property value (\$740,000,000). The continuing operating levies were passed in 1976, 1983, and 1998 and generate 13.67 mills or 37.97 percent of the local tax revenue. The 5-year operating levies need to be voter approved every 5 years to continue to receive the same amount of property tax revenue year to year. The 5-year operating levies were approved in 2002, 2005, and 2011 and generate 22.33 mills or 62.03 percent of the local tax revenue.

The District employs 164 non-teaching and 403 certificated full-time and part-time employees to provide services to 4,827 students in grades K through 12 and various community groups.

On May 2, 2017 voters approved to renew the 4.75 operating levy with a vote of 2,048 to 633 against. This resulted in one of the largest approvals for a renewal with 76.39 percent of the vote in favor.

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OUR VISION

The Cuyahoga Falls City School District Treasurers Office is responsible for ensuring that all financial transactions related to the District are properly accounted for and expended in accordance with leading practices, applicable laws, and Board policy. The Treasurer's Office will continue with efforts to enhance financial transparency to better serve the citizens of Cuyahoga Falls.

District Quick Facts

49,652 residents
23,859 housing units
22,250 households
26.1% of households with children
39.4 median age

Building on the Positive

Continuing on the positive momentum created by its citizens, district administration and the Board of Education quickly shifted their efforts to reducing expenditures. Working in collaboration with one another, the District finished the year with revenues over expenditures. By comparison, the District anticipated to transfer money from its cash reserve in the amount of \$652,918. By making sound financial decisions and working with all district employees to help understand our financial footing, the District was able to finish FY 2016-2017 year with a positive balance of \$248,147 despite receiving the lowest per pupil revenue.

Lastly, the Treasurer's Office received the Auditor of State Award. This was received for:

- A timely filing of financial reports to the Auditor of

States office in accordance with GAAP (Generally Accepted Accounting Principles)

- The audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, Single Audit findings or questioned costs
- The management letter contains no comments related to ethics referrals, questioned costs less than \$10,000, lack of timely report submission, reconciliation, failure to obtain a timely Single Audit, findings for recovery less than \$100, public meetings or public records
- There are no other financial or other concerns

Full audit: https://ohioauditor.gov/auditsearch/Reports/2017/Cuyahoga_Falls_CSD_16-Summit.pdf

Full 5-year forecast with assumptions:

<http://www.cfalls.org/docs/district/depts/14/october%202017%20five-year%20forecast%20and%20assumptions.pdf?id=11456>

LOCAL AND STATE REVENUE PER PUPIL

Ranking	DISTRICT IN SUMMIT COUNTY	Total Local Revenue per Pupil	Total State Revenue per Pupil	Total Revenue per Pupil
1	Revere Local SD	\$14,180.33	\$615.96	\$14,796.29
2	Hudson City SD	\$10,983.36	\$2,286.80	\$13,270.16
3	Coventry Local SD	\$9,232.94	\$3,650.67	\$12,883.61
4	Akron City SD	\$5,116.96	\$7,237.42	\$12,354.38
5	Mogadore Local SD	\$6,900.24	\$5,378.81	\$12,279.05
6	Copley-Fairlawn City SD	\$11,797.86	\$416.62	\$12,214.48
7	Manchester Local SD	\$7,972.65	\$3,743.93	\$11,716.58
8	Woodridge Local SD	\$11,010.12	\$697.39	\$11,707.51
9	Nordonia Hills City SD	\$10,433.18	\$1,087.29	\$11,520.47
10	Stow-Munroe Falls City SD	\$8,652.03	\$2,609.54	\$11,261.57
11	Barberton City SD	\$3,937.72	\$7,293.60	\$11,231.32
12	Tallmadge City SD	\$7,173.84	\$3,185.70	\$10,359.54
13	Springfield Local SD	\$6,575.54	\$3,713.28	\$10,288.82
14	Green Local SD	\$7,037.91	\$3,195.33	\$10,233.24
15	Twinsburg City SD	\$8,857.31	\$1,175.81	\$10,033.12
16	Norton City SD	\$5,687.76	\$4,338.42	\$10,026.18
17	Cuyahoga Falls City SD	\$6,871.37	\$3,035.62	\$9,906.99
	Local Average	8,471.86	3,164.16	11,636.02
	Difference	(1,600.48)	(128.54)	(1,729.03)

As shown in the Table, Cuyahoga Falls receives the lowest combined local and State revenue per pupil in Summit County. By comparison, Cuyahoga Falls receives \$1,600.48 cents less per student in local revenue and \$128.54 cents less per student in State revenue for a total of \$1,729.03 per pupil. This equates to approximately \$825,000 less in revenue compared to the Summit County average.

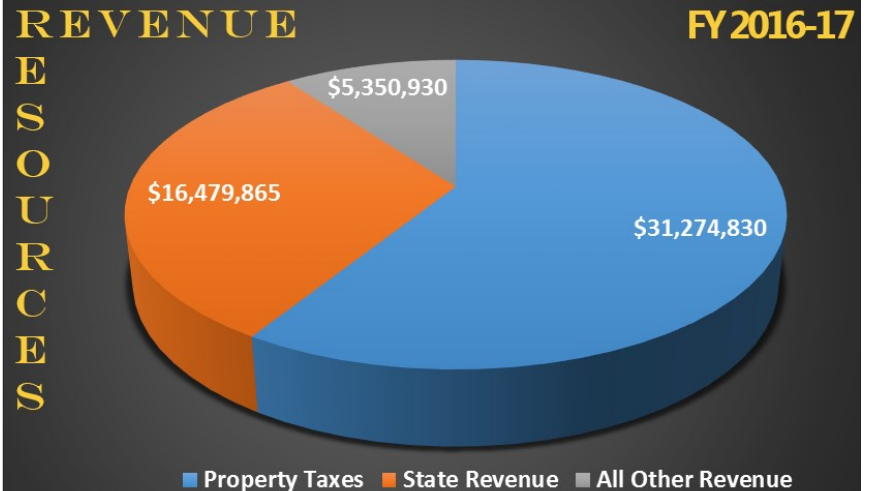
Year	Revenue per Student	Expenditure per Student	Results of Operations (per student)
FY 2013	\$9,633	\$9,539	\$94
FY 2014	\$9,712	\$9,705	\$7
FY 2015	\$10,210	\$10,187	\$23
FY 2016	\$10,379	\$10,596	(\$217)
FY 2017	\$10,905	\$10,854	\$51

Despite Cuyahoga Falls Schools receiving the lowest revenue per pupil in Summit County, the District was able to operate four of the last five years with positive results of operations by making meaningful business decisions to offset increasing expenditures.

* **Note:** Revenue per student includes all other operating revenues (casino, open enrollment, excess cost).

Fiscal Year 2017 Financial Data

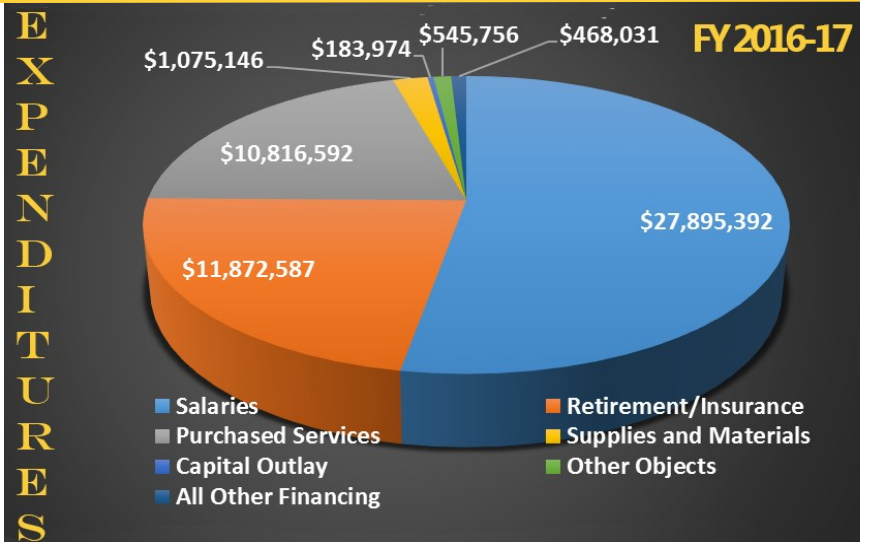
As shown in the **Revenue Resources Chart**, in FY 2016-17, Cuyahoga Falls City Schools received \$31,274,80 in local tax revenue. This equates to 58.9 percent of the District's revenue being funded by its voters. Likewise, CFCSD received \$16,479,865 in State revenue or 31.0 percent. And lastly, Cuyahoga Falls City Schools received \$5,350,930 in all other sources of revenue or 10.1 percent.



School District expenditures can be broken into seven categories:

- ♦ Salaries
- ♦ Retirement/Insurance
- ♦ Purchased Services
- ♦ Supplies and Materials
- ♦ Capital Outlay
- ♦ Other Objects
- ♦ All Other Financing Sources

As shown in the **Expenditure Chart**, in FY 2016-17, CFCSD expended \$27,895,392 in salaries. In descending order, salaries comprised the largest expenditure which totaled \$27,895,392 or 52.8 percent; Retirement/Insurance totaled \$11,872,587 or 22.5 percent; Purchased Services totaled \$10,816,592 or 20.5 percent; Supplies and Materials totaled \$1,075,146 or 2.0 percent; Other Objects totaled \$545,756 or 1.0 percent; All Other Financing totaled \$468,031 or 0.9 percent; and Capital Outlay totaled \$183,974 or 0.3 percent.



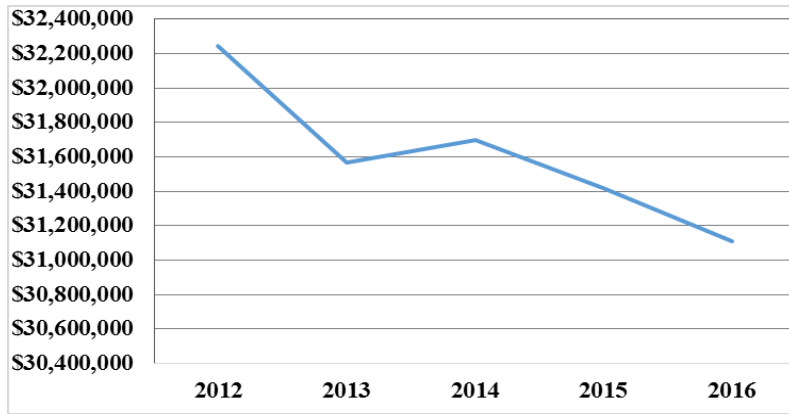
FY 2016 - 2017 Cuyahoga Falls City Schools Revenue to Expenditures Comparison

Revenue		Expenditure	
Property Taxes	\$31,274,830	Salaries	\$27,895,392
State Revenue	\$16,479,865	Retirement/Insurance	\$11,872,587
All Other Revenue	\$5,350,930	Purchased Services	\$10,816,592
		Supplies and Materials	\$1,075,146
		Capital Outlay	\$183,974
		Other Objects	\$545,756
		All Other Financing	\$468,031
Total Revenue	\$53,105,625	Total Expenditures	\$52,857,478

Challenges and Economic Outlook

One of the biggest financial difficulties facing the District is decreasing local property tax revenue.

FY 2012-FY 2016 Local Property Tax Revenue



Local Property Tax Revenue collection has decreased by 3.52 percent since 2012. Despite property values increasing, House Bill (H.B.) 920 limits the amount of revenue collected by a school district. This occurs by reducing the voted millage rates when property values rise. Essentially, the County reduces the amount of millage from your property taxes so that the levies will generate the same amount of revenue as when it was originally approved by voters. School Districts do not receive more revenue on voted millage when your property taxes increase.

Current Operating Levies

This table shows Cuyahoga Falls CSD levies with all original voted millage rates and how they have been reduced over the years to collect the same amount of revenue. Cuyahoga Falls residents approved 64.18 mills, but because of reduction factors, they have been reduced to 35.91 mills. Notice the voted millage rates and the effective millage rates differ. This is because a school district cannot receive additional revenue on voted levies despite increases to property value.

Year Passed	Term	Last Approved	Voted Amount	Effective Amount
1976	Continuing	1976	31.80	12.05
1983	Continuing	1983	6.76	3.71
1998	Continuing	1998	3.00	2.94
2002	5-year	2017	4.75	4.70
2005	5-year	2015	7.90	7.82
2011	5-year	2016	9.97	9.87
Total Voted Millage			64.18	35.91

Cuyahoga Falls will need additional future revenue to prevent further reductions toward State Minimums. Property taxes in 2016 were levied based on a total of 69.96 mills, including; 64.18 mills of continuing outside millage; 4.9 mills of continuing inside millage; 0.88 mills of bond millage which will last collect December 2017; and three separate five-year operating levies totaling 22.62 mills.

The three 5-year operating levies generate nearly \$16,356,630 million dollars annually and will end collections without voter re-approval or replacement in the following years;

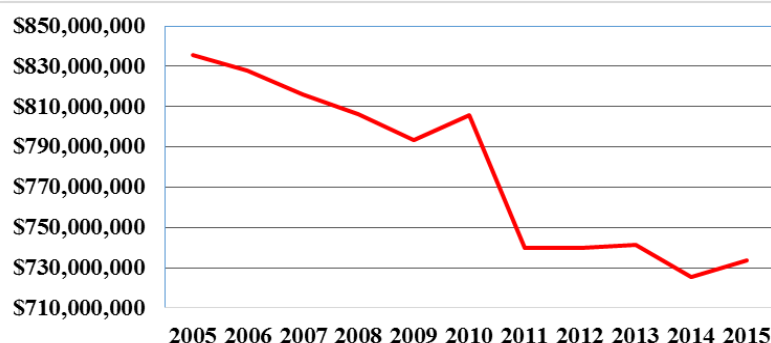
- ♦ 7.90 mills with last collection of \$5,787,136 in 2020
- ♦ 9.97 mills with last collection of \$7,303,513 in 2021
- ♦ 4.75 mills with last collection of \$3,265,980 in 2022.

Additional information can be found at the Treasurers website listed below under Treasurer's reports.

<http://www.cfalls.org/administrativeDepartment.aspx?aid=14>

If you have any questions, please contact Justin Klingshirn at 330-926-3800 ext. 502071 or via email cf_klingshirnj@cfalls.org.

This chart shows a historical look at Cuyahoga Falls CSD assessed property value. Examining the District's assessed property value provides context as to how reappraisal and triennial updates have affected property values.



As shown, total assessed property value decreased by \$101,993,048 million, or 12.2 percent from CY 2005 to CY 2015. Specifically, large decreases in total assessed property value resulted from the reappraisals and triennial updates throughout 2005 thru 2014.

In 1976, the Ohio general assembly enacted House Bill (H.B.) 920 which set out to limit property tax growth by reducing voted millage rates when property values rise. This tax reduction factor applies to

the voted operating levies. In practice, as property values increase the revised, effective millage is reduced so that the levies will generate the same amount of revenue as when it was originally approved by voters. This means that increasing home values will not increase revenue to the schools based on the voted millage.