

OLENTANGY SCHOOLS

SEPTEMBER 2025 FIVE-YEAR
FORECAST PRESENTATION



OLENTANGY SCHOOLSSM
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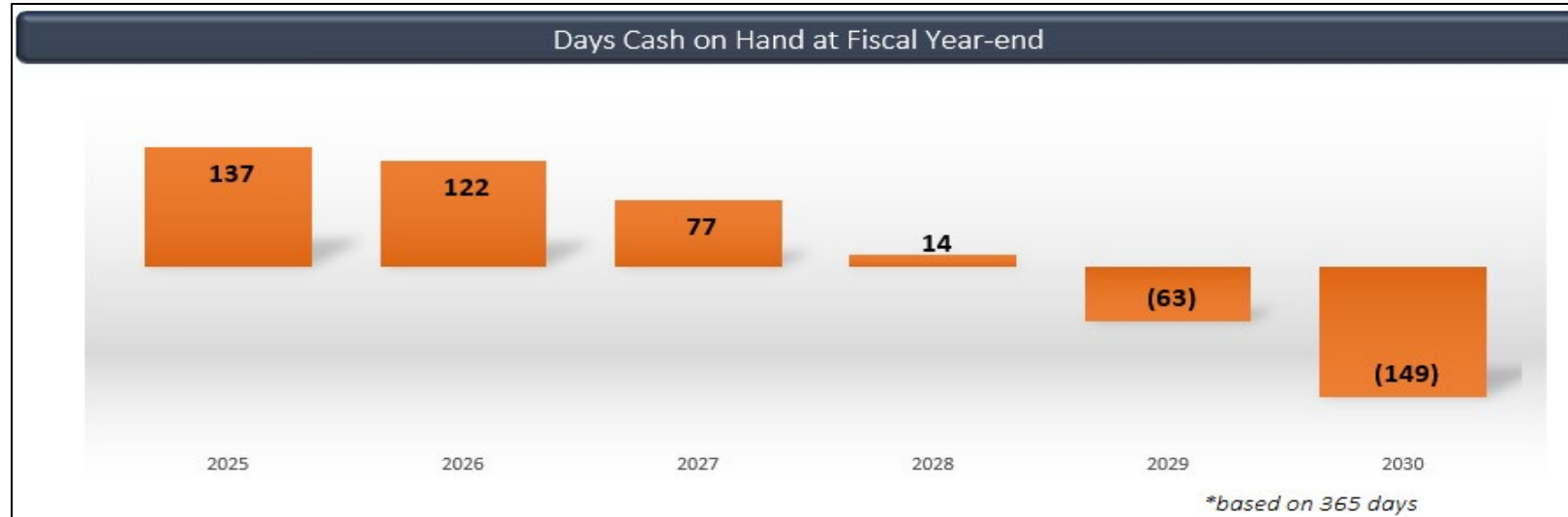
PRESENTATION OVERVIEW

- Financial Forecast at a Glance: Summary View
- General Fund Revenues
 - Total Revenue
 - Real Estate Revenue
 - State Funding Revenue
- General Fund Expenditures
 - Personnel Expenditures: Salaries
 - Personnel Expenditures: Benefits
 - Staffing Growth

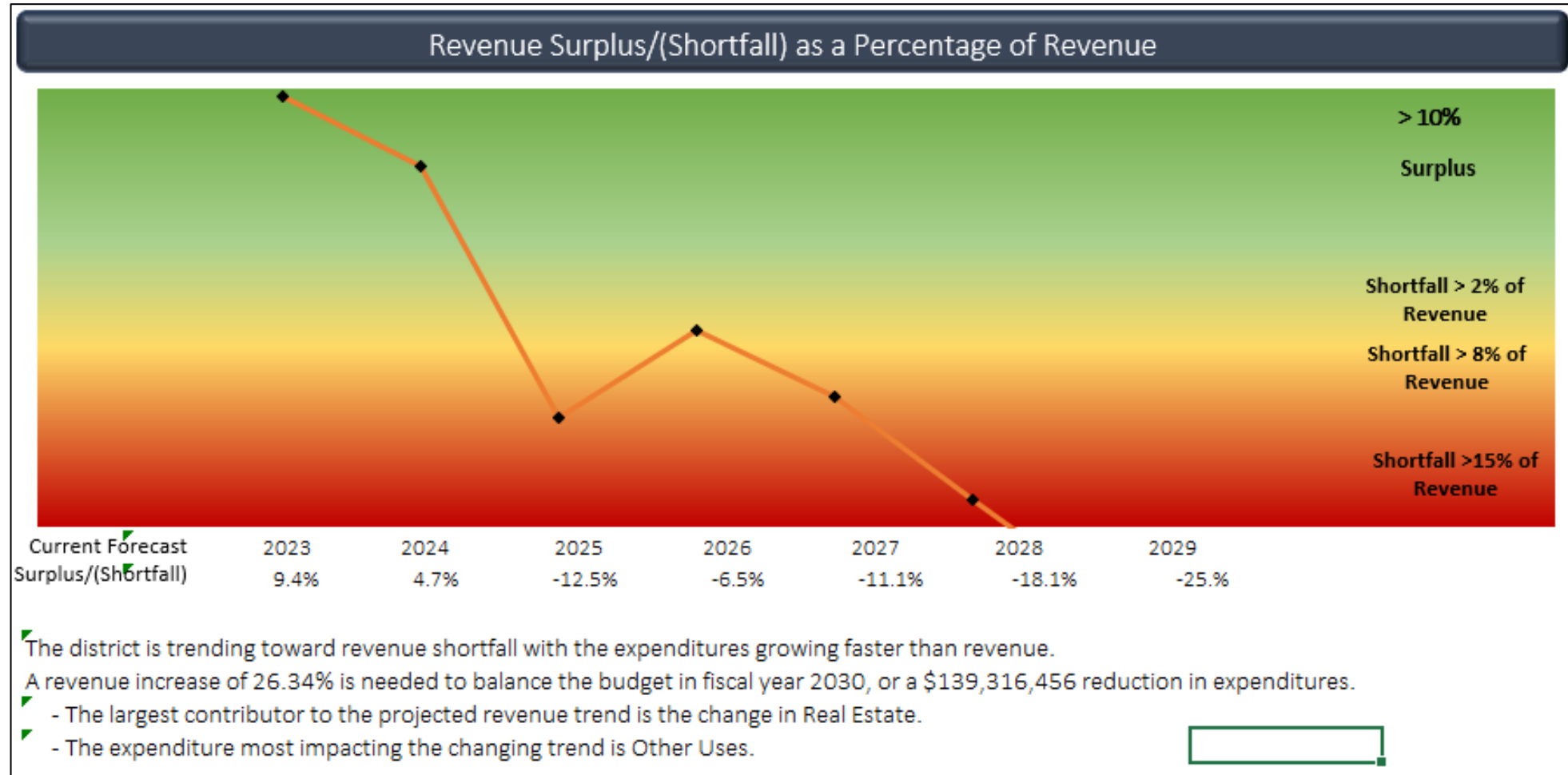


Financial Forecast at a Glance

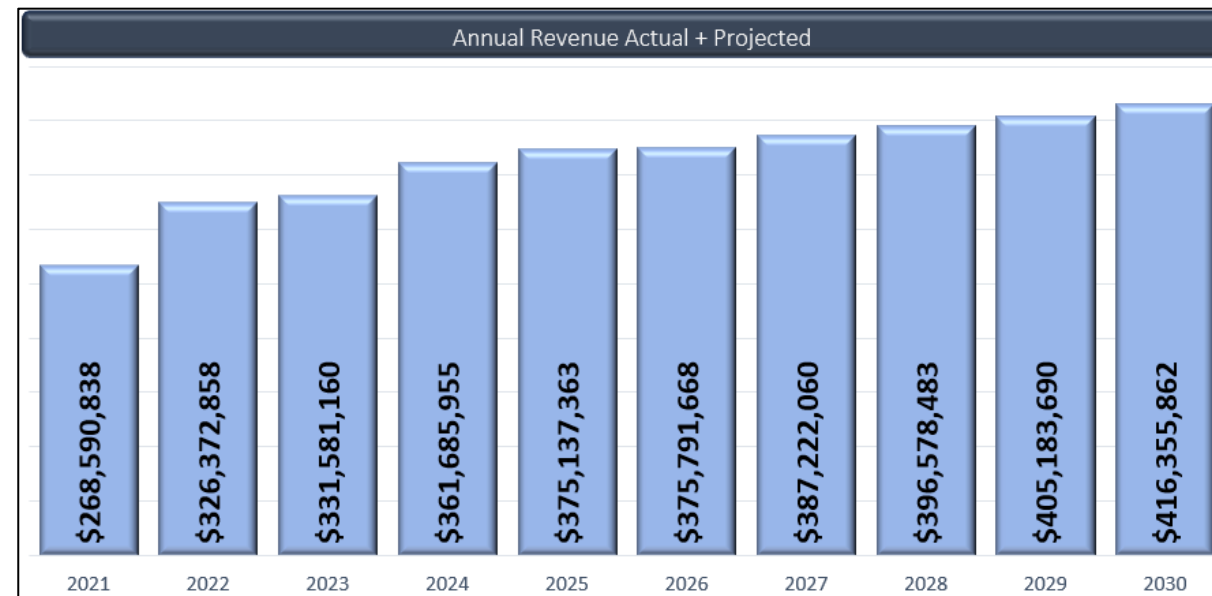
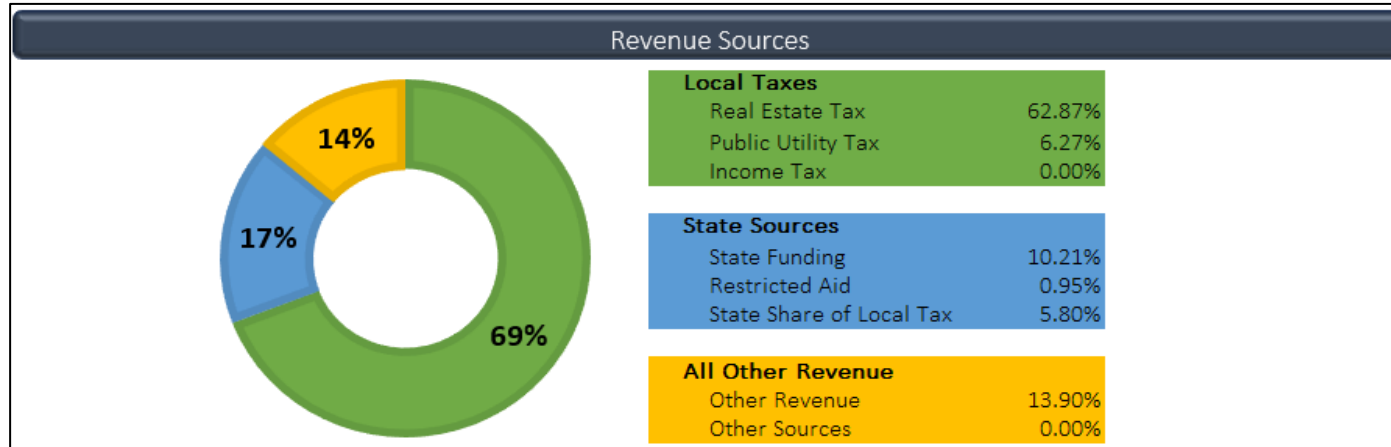
Financial Forecast Summary					
	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010)	157,978,435	133,448,465	90,541,587	18,588,785	(88,136,362)
+ Revenue	375,791,668	387,222,060	396,578,483	405,183,690	416,355,862
- Expenditures	(400,321,638)	(430,128,938)	(468,531,286)	(511,908,837)	(555,672,318)
= Revenue Surplus or Deficit	(24,529,970)	(42,906,878)	(71,952,802)	(106,725,147)	(139,316,456)
Line 7.020 Ending Balance	133,448,465	90,541,587	18,588,785	(88,136,362)	(227,452,819)



Financial Forecast at a Glance



REVENUE



Revenue Changes: Historical & Projected

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance
Real Estate	\$13,048,509	\$6,651,862	(\$6,396,646)
Public Utility	\$1,863,649	\$887,640	(\$976,009)
Income Tax	\$0	\$0	\$0
State Funding	\$5,686,841	\$1,387,325	(\$4,299,515)
State Share of Property Tax	\$668,572	\$637,218	(\$31,354)
All Othr Op Rev	\$4,610,146	(\$1,316,717)	(\$5,926,863)
Other Sources	\$1,079	(\$3,628)	(\$4,707)
Total Average Annual Change	\$25,878,795	\$8,243,700	(\$17,635,095)
	9.04%	2.11%	-6.93%

Over the past five years, revenue increased by 9.04% (\$25,878,795 annually). However, it is projected to increase by 2.11% (\$8,243,700 annually) through fiscal year 2030. Notably, Real Estate, is expected to be \$6,396,646 less per year compared to history, and is the biggest driver of trend change on the revenue side. The last successful operating levy passed in the district was in the Spring of 2020. The decline in average revenue change moving forward is therefore a feature of no additional operating funds from real estate taxes being forecasted.



REAL ESTATE REVENUE

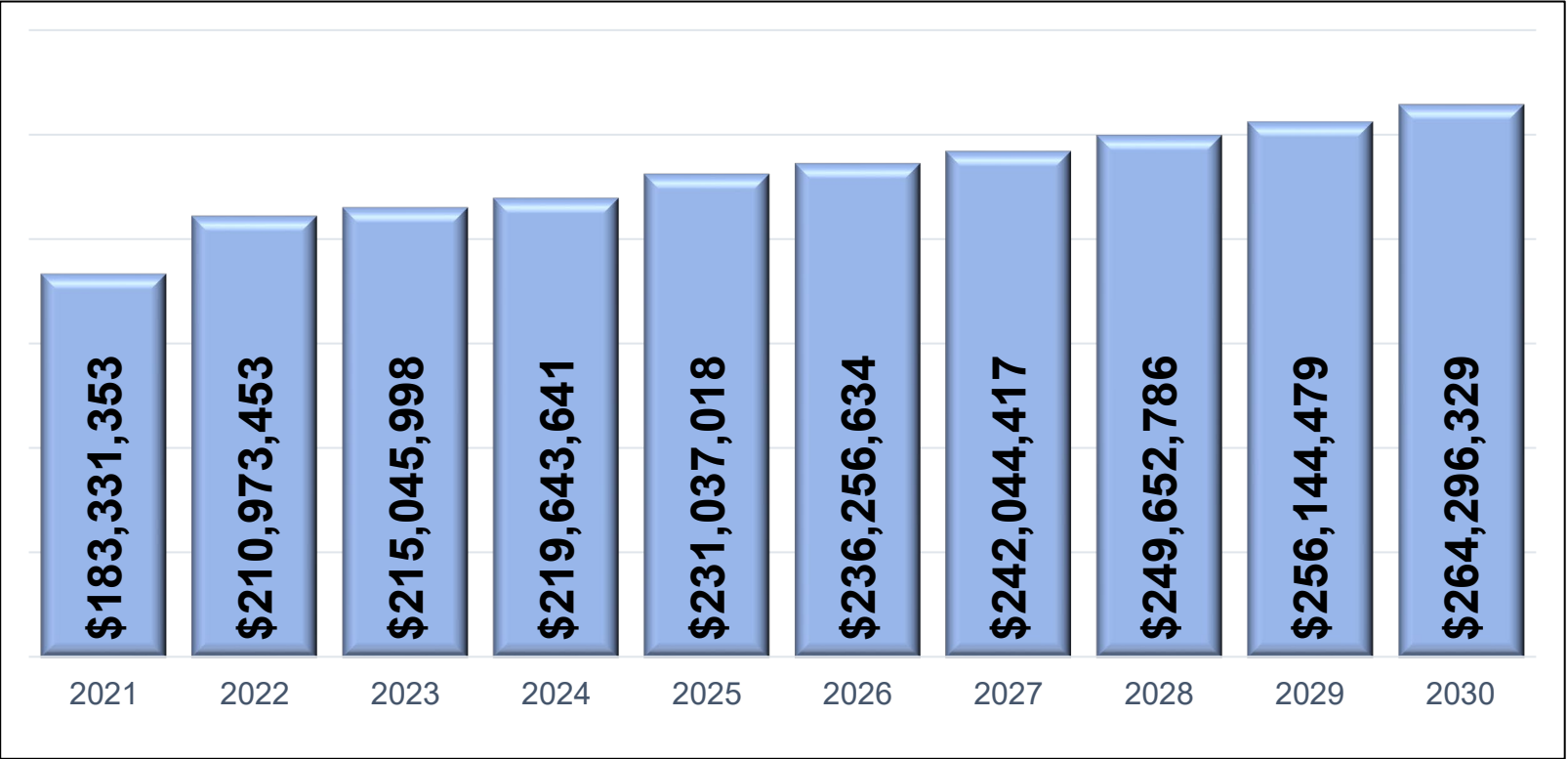
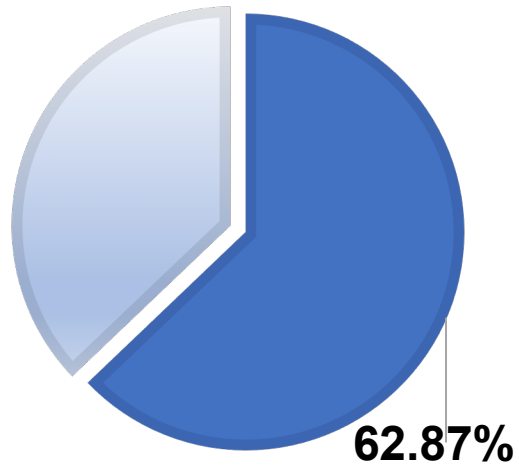
Key Assumptions & Notes

Values, Tax Rates and Gross Collections							Gross Collection Rate Including Delinquencies
Tax Yr	Valuation	Value Change	Class 1 Rate	Change	Class 2 Rate	Change	
2024	6,711,618,040	186,044,820	36.81	-	47.91	-	100.6%
2025	6,910,810,717	199,192,677	36.73	(0.08)	47.61	(0.29)	99.0%
2026	7,704,193,295	793,382,578	34.28	(2.44)	43.24	(4.37)	99.0%
2027	7,927,918,015	223,724,720	34.22	(0.06)	43.02	(0.22)	99.0%
2028	8,155,326,487	227,408,472	34.16	(0.06)	42.80	(0.22)	99.0%
2029	9,098,861,188	943,534,701	31.80	(2.36)	39.46	(3.34)	99.0%

The District is above the 20-mill floor, so increases in value drive decreases in tax millage rates



REAL ESTATE REVENUE



Real estate revenue increased by about \$13M per year from FY21 to FY25, due to the last operating levy in 2020. But for the next 5 years, the average increase in real estate revenue will drop to about \$6.7M per year, due mainly to new properties and the small amount of inside millage.



STATE FUNDING REVENUE

Amended Substitute House Bill 96 Growth Calculations and other Components:

Provides an enrollment growth supplement in FY 2026 and FY 2027 to districts whose enrolled ADM grew by at least 3% between FY 2022 and FY 2025 for the FY 2026 payment, and between FY 2023 and FY 2026 for the FY 2027 payment.

Calculates the payment as equal to a district's current year enrolled ADM times:

- (a) \$150 in FY 2026 and \$200 in FY 2027 for districts whose enrolled ADM grew by at least 3% but no more than 5%,
- (b) \$100 in FY 2026 and \$150 in FY 2027 for districts whose enrolled ADM grew by more than 5% but no more than 10%, and
- (c) \$50 in FY 2026 and \$100 in FY 2027 for districts whose enrolled ADM grew by more than 10%.

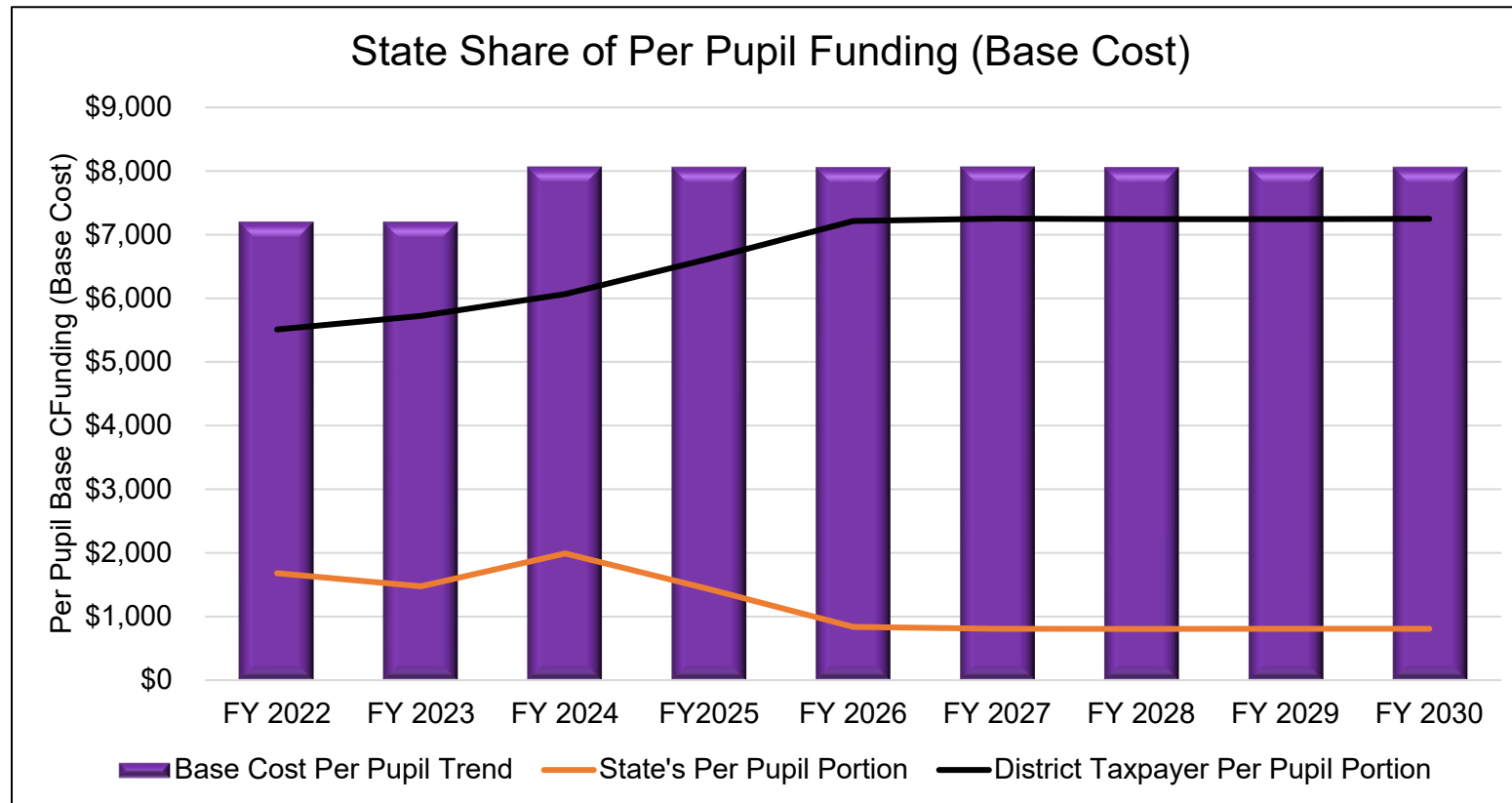
Provides a base funding supplement in FY 2026 and FY 2027 equal to a district's enrolled ADM for the fiscal year times \$20 in FY 2026 and \$30 in FY 2027.

Requires DEW, with regard to various payments outside and calculations outside of the school financing system for FY 2026 and FY 2027, to (1) use the FY 2024 statewide average base cost per pupil and (2) calculate each district's state share percentage for those fiscal years (e.g. preschool funding, threshold costs).



STATE FUNDING REVENUE

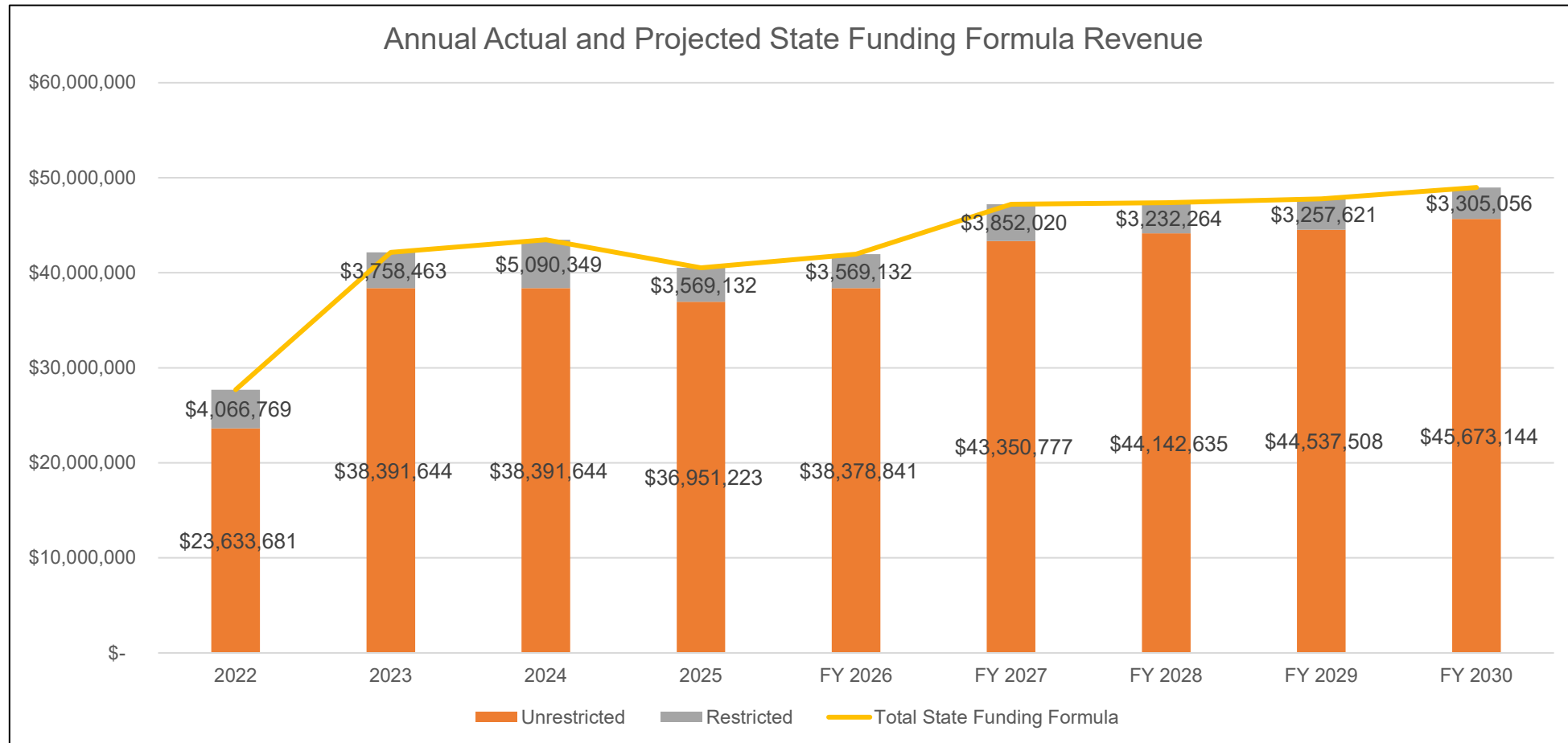
Perhaps the most critical development, however, is that base cost per pupil will still be calculated using FY2022 data – this leads to a dramatic shift in the amount that must be contributed locally by Olentangy Schools. Without the funding supplements added by the 136th GA in Am. Sub, HB 96, our state funding per pupil would be at historic lows:



	Per Pupil Base Cost	Per Pupil State Share	Per Pupil State Percent of Base Cost
FY 2022	\$7,193	\$1,682	23.39%
2023	\$7,197	\$1,472	20.46%
2024	\$8,058	\$1,991	24.71%
2025	\$8,049	\$1,430	17.76%
2026	\$8,058	\$835	10.38%
2027	\$8,050	\$806	10.00%
2028	\$8,051	\$805	10.00%
2029	\$8,052	\$805	10.00%



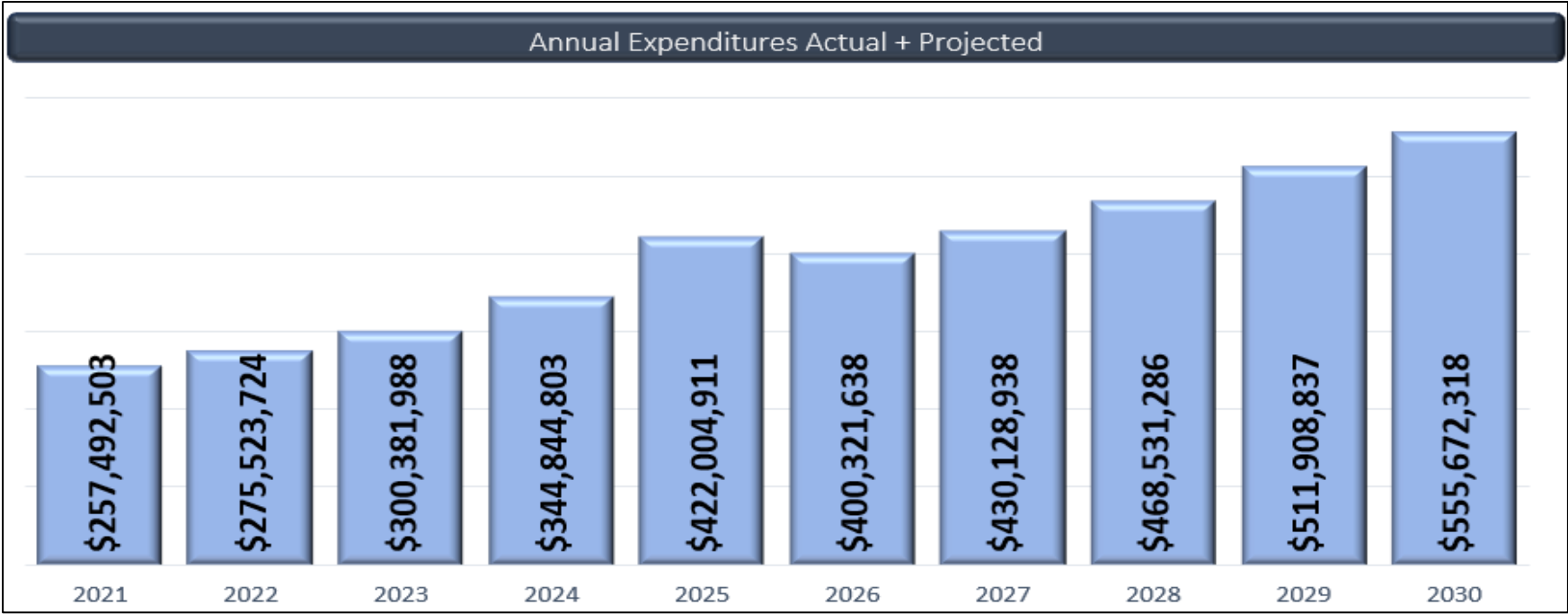
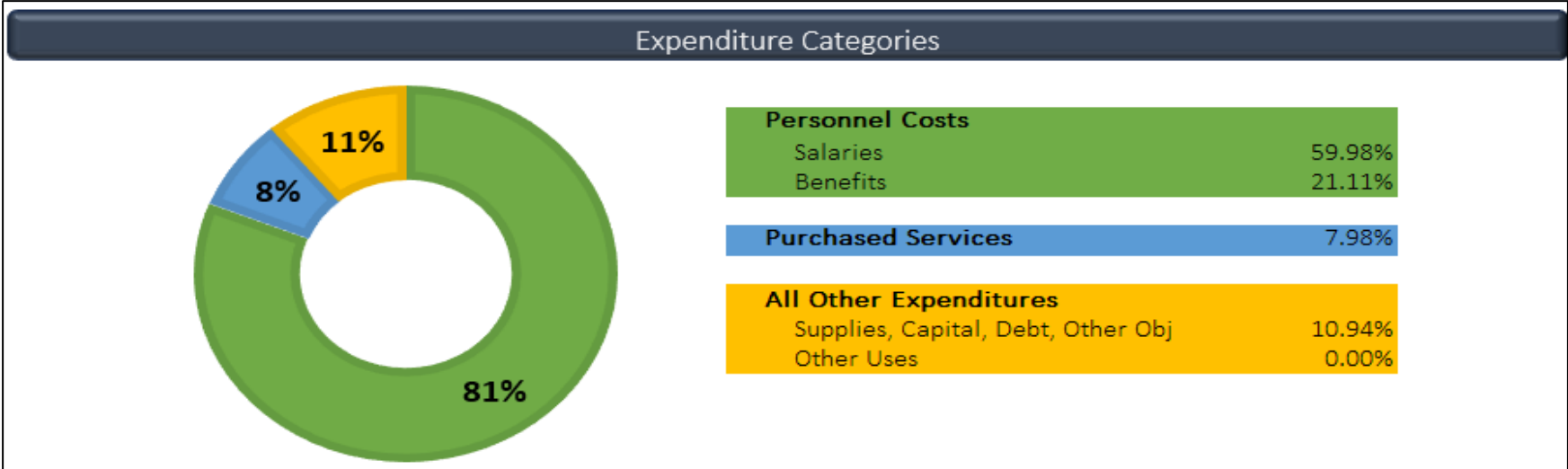
STATE FUNDING REVENUE



State formula funding revenue increased by about \$6.4M per year from FY21 to FY25. But for the next 5 years, the average increase state formula funding will drop to about \$2.0M per year, due mainly to new properties and the small amount of inside millage.



EXPENSES

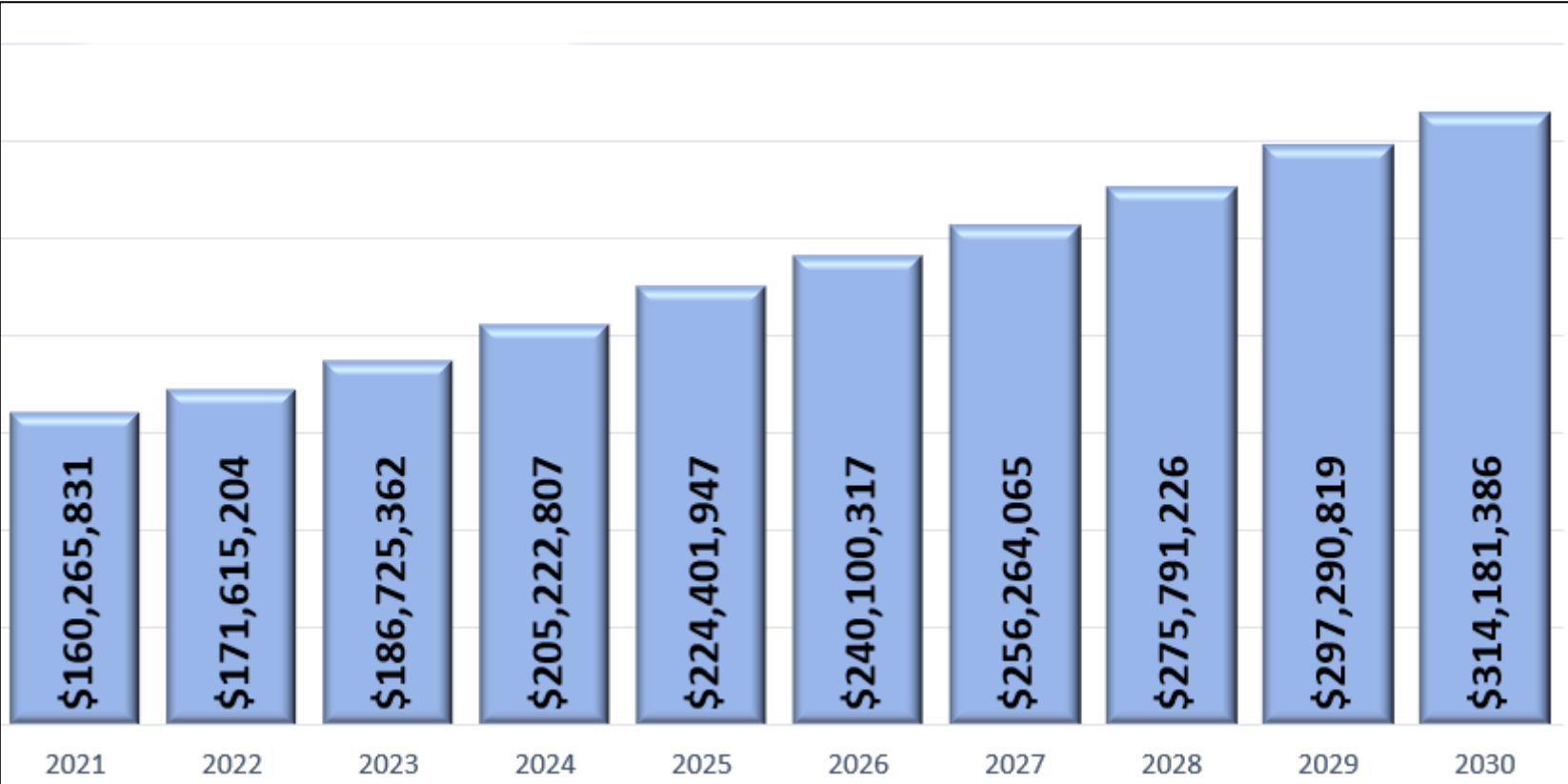
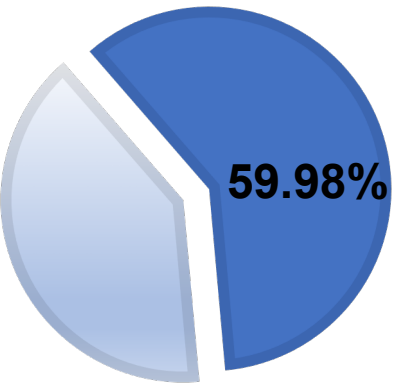


EXPENSE CHANGES HISTORICAL & PROJECTED

	Historical Average Annual \$\$ Change	Projected Average Annual \$\$ Change	Projected Compared to Historical Variance	Expenditures increased by 11.85% (\$35,848,685 annually) during the past 5-year period, and are projected to increase by 5.81% (\$26,733,481 annually) through 2030. The forecast line with the most change on the expense side, Other Uses, is anticipated to be \$19,700,000 less per year in the projected period compared to historical averages.
Salaries	\$14,646,206	\$17,955,888	\$3,309,681	
Benefits	\$4,969,640	\$7,898,140	\$2,928,500	
Purchased Services	\$2,226,006	\$5,109,481	\$2,883,475	
Supplies & Materials	\$762,263	\$1,109,393	\$347,129	Note that the historical average annual increase in Other Uses is heavily impacted by the one-time \$50M transfer due to the Clawback provisions of HB 96. This subsequently impacts the difference compared to the future average increase - normally this category has little activity.
Capital Outlay	\$477,303	(\$292,008)	(\$769,312)	
Intergov & Debt	\$170,888	(\$170,887)	(\$341,775)	
Other Objects	\$3,067,266	\$5,123,476	\$2,056,210	
Other Uses	\$9,700,000	(\$10,000,000)	(\$19,700,000)	
			(\$9,115,204)	
Total Average Annual Change	\$35,848,685	\$26,733,481		
	11.85%	5.81%	-6.05%	

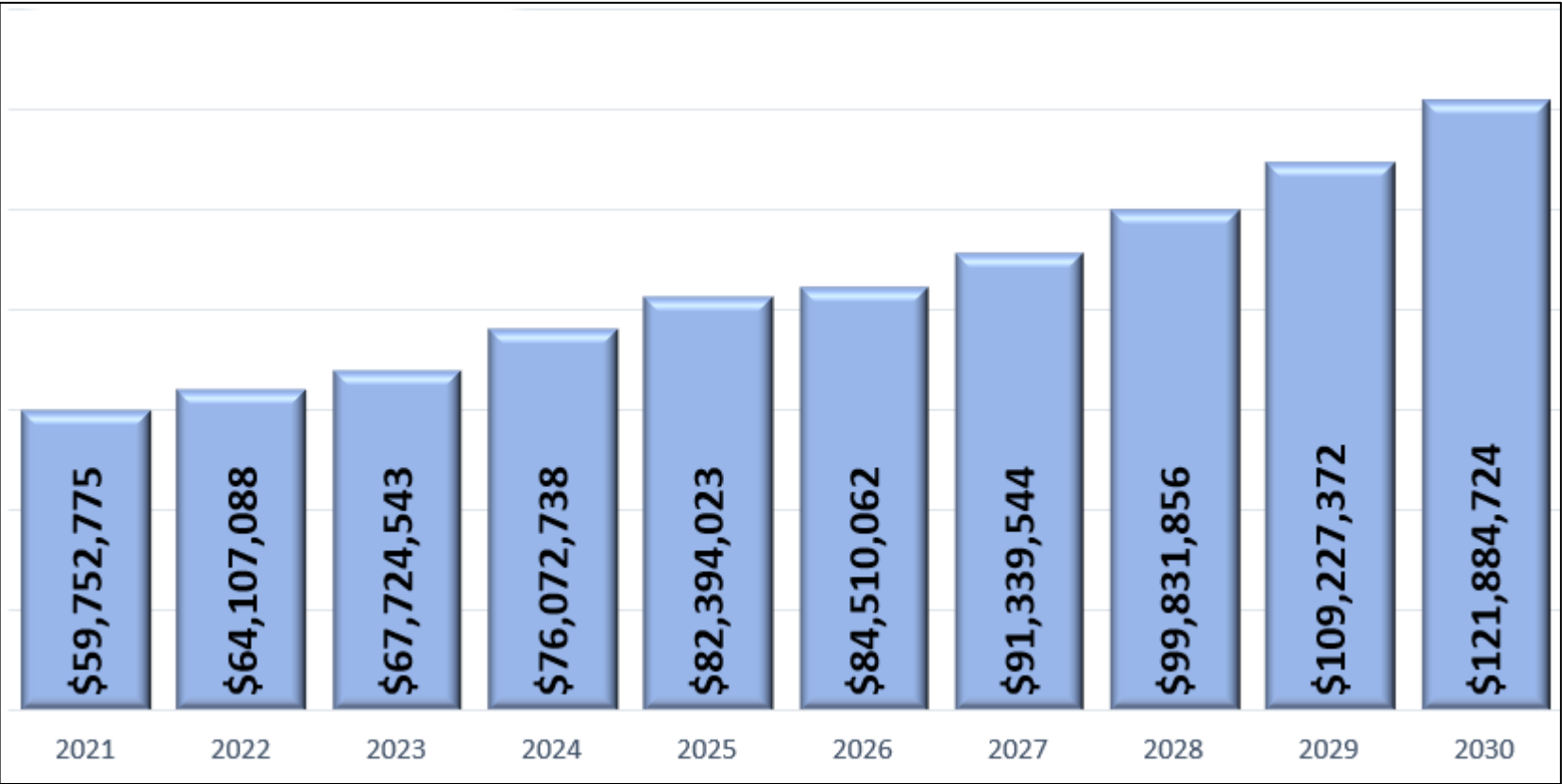
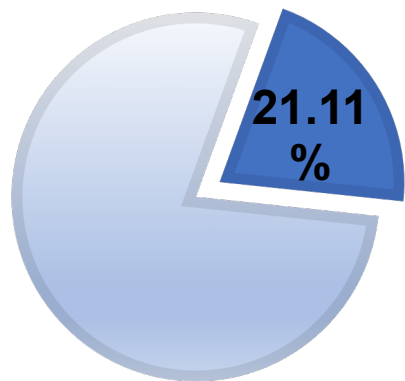


PERSONNEL EXPENSES



Salaries are projected to increase by about \$18.0M per year moving forward – note that this includes forecasted staffing growth and increases due to negotiations and salary indices.

BENEFIT EXPENSES



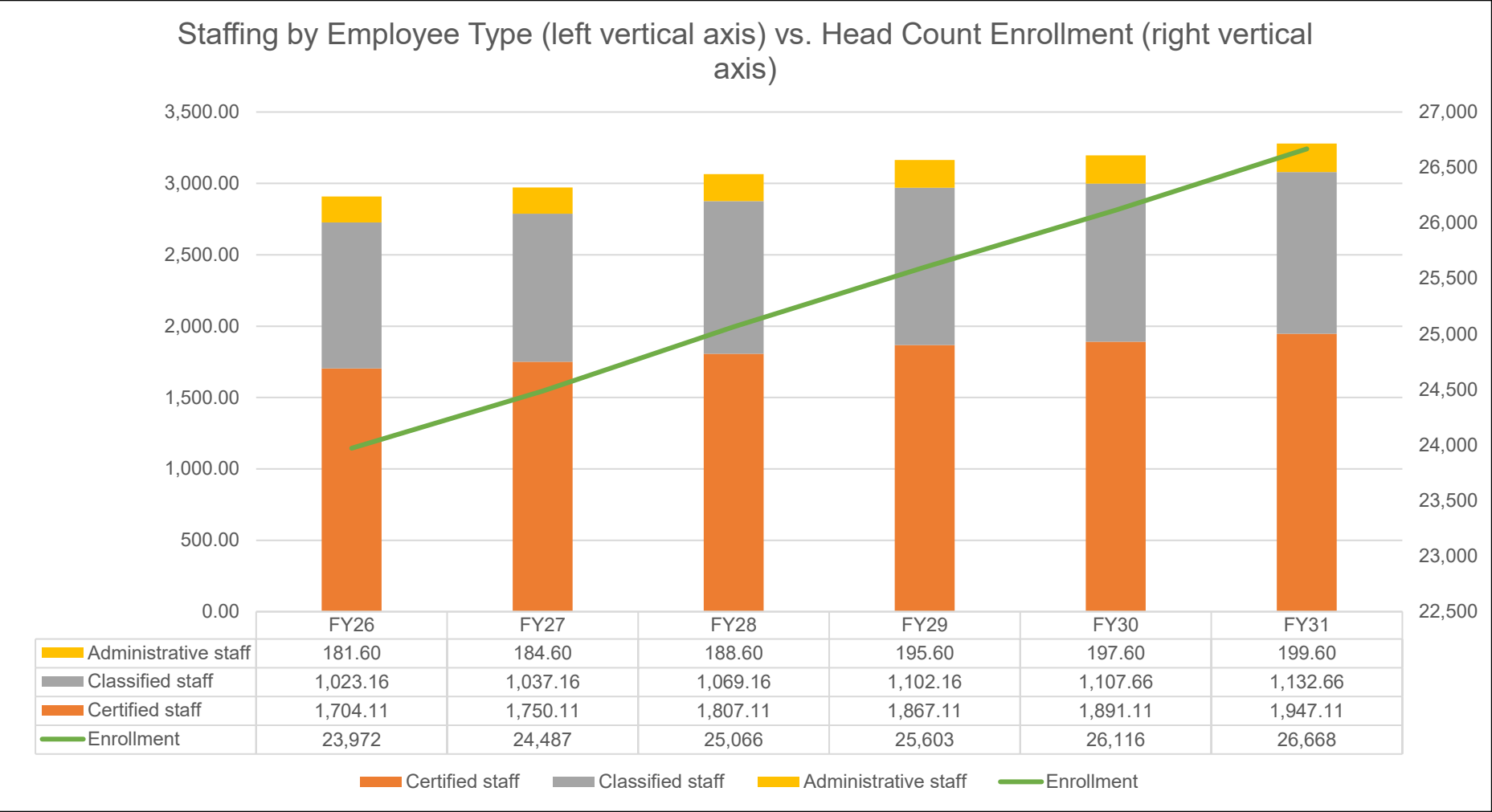
Benefits are projected to increase by about \$7.9M per year moving forward – note that this includes forecasted staffing growth; increases in salary driven fringe benefits (e.g., Medicare, STRS/SERS); and forecasted increases in health care costs

PERSONNEL EXPENSES:WHAT'S DRIVING THE SALARY COSTS—WAGE INCREASES

			<u>Forecasted Negotiated Salary Increases</u>						
			2025-26	2026-27	2027-28	2028-29	2029-30		
		Certified Staff	2.50%	3.00%	3.00%	2.50%	2.50%		
		Classified Staff	2.50%	3.00%	3.00%	2.50%	2.50%		
		Administrative Staff	2.50%	3.00%	3.00%	2.50%	2.50%		
			<u>Forecasted Step Increases in Aggregate</u>						
			2025-26	2026-27	2027-28	2028-29	2029-30		
		Certified Staff	2.70%	2.70%	2.70%	2.70%	2.70%		
		Classified Staff	2.90%	2.90%	2.90%	2.90%	2.90%		
		Administrative Staff	N/A	N/A	N/A	N/A	N/A		
Current bargaining unit agreements are in place with the Olentangy Teacher's Association, and with all classified unions (the Ohio Association of Public School Employees (OAPSE) Locals 039 (Transportation), 222 (Intervention & Clinic Aides) and 322 (Custodial, Maintenance & Field Tech), through June 30, 2028.									



PERSONNEL EXPENSES:WHAT’S DRIVING THE SALARY COSTS—PROJECTED GROWTH



WILL THE BOND ISSUE CREATE THE NEED FOR AN OPERATING LEVY?

Current Forecast WITH Elementary 18 and HS 5 Additional Staffing Added

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010)	157,978,435	133,448,465	90,541,587	18,588,785	(88,136,362)
+ Revenue	375,791,668	387,222,060	396,578,483	405,183,690	416,355,862
- Expenditures	(400,321,638)	(430,128,938)	(468,531,286)	(511,908,837)	(555,672,318)
= Revenue Surplus or Deficit	(24,529,970)	(42,906,878)	(71,952,802)	(106,725,147)	(139,316,456)
Line 7.020 Ending Balance	133,448,465	90,541,587	18,588,785	(88,136,362)	(227,452,819)

Current Forecast WITHOUT Additional Staffing for Elementary 18 and HS 5

	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Beginning Balance (Line 7.010)	157,978,435	133,448,465	90,681,495	22,479,751	(74,152,803)
+ Revenue	375,791,668	387,222,060	396,578,483	405,183,690	416,355,862
- Expenditures	(400,321,638)	(429,989,031)	(464,780,227)	(501,816,244)	(544,429,936)
= Revenue Surplus or Deficit	(24,529,970)	(42,766,971)	(68,201,744)	(96,632,554)	(128,074,074)
Line 7.020 Ending Balance	133,448,465	90,681,495	22,479,751	(74,152,803)	(202,226,877)

As these 2 charts show, the difference in the projected forecast from having the costs of elementary school 18 and high school 5 entered is nominal over the course of the projections. Put another way, both forecasts show that the district will need an operating levy within the next 2-3 years because the growth of the district overall will require it **REGARDLESS** of whether the costs for the 2 buildings in this bond issue are entered.





OLENTANGY SCHOOLSSM

THANK YOU