

**WHEELERSBURG LOCAL SCHOOL DISTRICT  
FINANCIAL REPORT: SUMMARY AND ANALYSIS – JULY 2023**

**Appendix A**

**GENERAL FUND**

	<u>JULY 2023</u>	<u>JULY 2022</u>	<u>JULY 2021</u>
Beginning Balance July 1	\$3,165,755.83	\$3,235,208.85	\$2,472,841.06
Revenues	\$2,169,594.63	\$2,072,053.84	\$2,351,510.18
Expenditures	\$1,243,800.96	\$1,095,124.76	\$1,059,087.36
Ending Balance July 31	<u>\$4,091,549.50</u>	<u>\$4,212,137.93</u>	<u>\$3,765,263.88</u>

**INTRODUCTION**

A school district's General Fund is its main operating fund containing most of its operational costs and the revenues to support those operations. Therefore the General Fund is emphasized in this financial report and the explanatory comments.

A comparative summary of three years span of the General Fund for the month of July has just been presented. On the rest of this page we briefly mention July's results, particularly major financial events causing a variance from the normal cash flow cycle. On the next page the reader can compare year-to-date activity for the current and two previous fiscal years for the General Fund according to revenue and spending components. We provide details regarding major revenues and spending components in the section entitled "Notes Regarding Significant Revenue and Expense Categories."

A careful financial study should include an understanding of the school district's cash flow cycle. The district receives only state funding during most months of the year and state aid alone does not cover monthly costs, resulting in operating deficits.

**MAJOR FINANCIAL DEVELOPMENTS DURING JULY 2023 IN THE GENERAL FUND**

1. The District enjoyed a modest revenue increase in July 2023, entirely due to a sizeable increase in the real estate tax advance, which was \$184,000 larger than in July 2022. Tempering this increase is a timing issue with the District's receipt of an annual Medicaid in Schools Program final settlement. The District received this payment in July 2022 (\$96,348) but did not receive a payment in July 2023. A final settlement in the amount of \$100,406 is due soon and then this variance will disappear. The state's new biennial budget has not been implemented at this point.
2. All expense categories increased in July 2023 compared to July 2022. Salaries and benefits and instructional supplies combined in July 2024 to account for two-thirds of increased expenses. Of the total expense increase, \$60,000 is a timing issue remaining from June 2023, when a late invoice delayed payment of District insurances.

**WHAT TO EXPECT FROM THE GENERAL FUND IN AUGUST 2023 AND BEYOND**

August is typically a break-even month (or better) as the District will receive the final settlement on the second-half real estate tax payments.

**TOTAL OF ALL FUNDS**

	<u>JULY 2023</u>	<u>JULY 2022</u>
Beginning Balance July 1	\$6,248,992.13	\$6,509,572.76
Revenues	\$2,725,738.39	\$2,290,889.70
Expenditures	\$1,585,980.41	\$1,475,713.99
Ending Balance July 31	<u>\$7,388,750.11</u>	<u>\$7,324,748.47</u>

**TOTAL OF ALL FUNDS CASH-FLOW NOTES FOR JULY 2023**

Besides the General Fund, the Total of All Funds primarily consists of district scholarship funds, the Bond Fund, the Permanent Improvement Fund, the Facility Maintenance Fund, the Severance Reserve Fund, various state and federal grants, various student activity funds and the Food Service fund. Some funds have normal fluctuations throughout the year.

The significant increase in the Total of All Funds is typical according to our cash flow cycle. Any of the District's funds which receive local real estate tax dollars benefited from an advance payment on the August real estate tax settlement. This includes the General Fund (see discussion above) plus the Bond, Permanent Improvement, and Facility Maintenance funds. Student Activity funds also saw a large increase in July as ticket sales and fundraisers swelled account balances. The District paid an advance equal to one month's expenses from the Food Service Fund to its food service management company, as per the contract with The Nutrition Group. This advance will be recouped in June 2024. The District's federal grant funds decreased significantly, which is normal in the grant cash flow cycle. Typically the District spends its money up front and then receives a reimbursement from the federal government in the next month. In this manner, positive cash flow months and deficit-spending months alternate.

WHEELERSBURG LOCAL SCHOOL DISTRICT					
FISCAL YEAR 2024 TREND FINANCIAL REPORT					
CURRENT FISCAL YEAR JULY 1, 2023 THROUGH JUNE 30, 2024, COMPARED TO PAST TWO YEARS					
Forecast		Actual FYTD	Actual FYTD	(1) Amount	Actual FYTD
Line		FY 2024	FY 2023	Change	FY 2022
7.01	Beginning Cash Balance	\$3,165,756	\$3,235,209	(\$69,453)	\$2,472,841
	<b>Revenues</b>				
1.01	Real Estate Taxes	\$1,362,300	\$1,178,800	\$183,500	\$1,552,743
1.035	(2) Unrestricted State Foundation	\$743,654	\$740,465	\$3,189	\$567,789
1.04	(2) Restricted State Aid	\$40,800	\$41,083	(\$283)	\$11,155
1.05	Property Tax Allocation	\$0	\$0	\$0	\$0
1.06	All Other Operating Revenue	\$7,235	\$111,705	(\$104,470)	\$191,369
2.05	Advances In	\$15,606	\$0	\$15,606	\$28,454
2.06	All Other Financial Sources	\$0	\$0	\$0	\$0
2.08	Total Revenues	\$2,169,595	\$2,072,053	\$97,542	\$2,351,510
	<b>Expenditures</b>				
3.01	Personal Services	\$628,374	\$590,741	(\$37,633)	\$543,297
3.02	Employees' Retirement/Insurance	\$282,710	\$266,449	(\$16,261)	\$252,430
3.03	Purchased Services	\$191,320	\$159,219	(\$32,101)	\$164,644
3.04	Supplies & Materials	\$93,306	\$47,072	(\$46,234)	\$30,513
4.30	Other Expenditures	\$48,091	\$31,644	(\$16,447)	\$68,203
5.01	Transfers Out	\$0	\$0	\$0	\$0
5.02	Advances Out	\$0	\$0	\$0	\$0
5.05	Total Expenditures	\$1,243,801	\$1,095,125	(\$148,676)	\$1,059,087
7.02	Ending Cash Balance	\$4,091,550	\$4,212,137	(\$120,587)	\$3,765,264
6.01	(3) Revenue in Excess of Costs (Loss)	\$925,794	\$976,928	(\$51,134)	\$1,292,423
(1) The <b>"Impact Positive / (Negative)"</b> column is either positive or negative depending upon the effect on the district's cash balance. This means a positive amount has a positive effect, even if it is an expenditure category.					
(2) State aid is divided into two categories, but this report will frequently speak of it as one. The sources of restricted aid for this district is relatively small compared to unrestricted aid.					
(3) <b>"Revenue in Excess of Costs (Loss)"</b> . This reflects the district's financial measure of its ability to pay future costs. The previous page contains a discussion of how most months are deficit-spending months. Tax revenues in July, August, February, and March will pay for leaner months when the only significant revenue is state aid.					

## NOTES REGARDING SIGNIFICANT REVENUE AND EXPENSE CATEGORIES

<b>Line</b>		
<b><u>Item</u></b>	<b><u>Revenue Category</u></b>	<b><u>Notes</u></b>
<b>1.01</b>	<b>Real Estate Taxes</b>	In July the District received its advance on the August 2023 real estate tax settlement. It was more than the tax advance we received in July 2022.
<b>1.035</b>	<b>Unrestricted State Aid</b>	<p>The District expects an increase in funding in FY 2024, which is the first year of the state of Ohio's new biennial budget. The amount of that increase is as of yet unknown. (Simulations exist, but there are data inputs which can still fluctuate during this coming year. The District's funded ADM could change, and the application of new wealth factors could cause the District to become "wealthier" in the state's formula, which would reduce state funding.).</p> <p>The District's July 2023 funding was based on last year's data inputs, and so the amount of funding did not vary much. The state of course needs time to update its programming for calculating state aid based on the new formula. Some changes are expected in August.</p>
<b>1.06</b>	<b>All Other Operating Revenue</b>	Again, the District finds itself with a significant variance in this category that is the product of a timing difference. The District received an annual Medicaid in Schools Program final settlement in July 2022 (\$96,348) but did not receive a payment in July 2023. A final settlement in the amount of \$100,406 is due soon. When it arrives, this variance will disappear.

<b>Line</b>		
<b><u>Item</u></b>	<b><u>Expense Category</u></b>	<b><u>Notes</u></b>
<b>3.01</b>	<b>Personal Services</b>	<p>Salaries in July and August 2023 are based on the 2022-2023 school year. All of the factors that led to an cost increase in this category during FY 2023 are still in effect.</p> <ul style="list-style-type: none"><li>• The District is in the final year of its negotiated agreement with its teaching staff, and had agreed upon a 3% base raise, plus step and educational increases for FY 2023. All other employees receive the same percentage base raise. There were additional positions created for aides of students with special needs, and the custodial department. One administrative position that had been grant-paid was absorbed by the General Fund when the grant was discontinued.</li><li>• The District updated its wage schedules for its non-teaching employees.</li><li>• Line 3.02, Employees' Retirement and Insurance, is also impacted by the number of employees on payroll, and who elect to carry insurance benefits.</li></ul>
<b>3.03</b>	<b>Purchased Services</b>	This expense category's large increase is due to a later payment of the District's property, liability, and fleet insurance in July 2023, instead of in June.
<b>3.04</b>	<b>Supplies</b>	Instructional supplies dominate the increase in this category. Much of it is from payment for the coming year's software relicensing for classroom use. Much of this is being paid for earlier than last year (August 2022).

July 31, 2023

**WHEELERSBURG LOCAL SCHOOL DISTRICT  
Cash Reconciliation Report**

<b>Total Fund Balance</b>	<b>\$7,388,750.11</b>
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**Gross Depository (Bank) Balances:**

Wesbanco (Checking)	\$2,239,042.81
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**Investments**

Certificates of Deposit	\$2,843,000.00
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Other Securities (cost as of July 31, 2023)	\$1,340,000.00
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Other Investments (Star Ohio, money market funds, etc.)	\$1,181,460.17
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Sub-Total: Investments	\$5,364,460.17
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Cash in Transit to Depository (recorded but undeposited monies)	\$0.00
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**Petty Cash Balances:**

Wheelersburg Elementary	\$0.00
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Wheelersburg High School	\$0.00
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Administrative Office	\$300.00
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Sub-Total: Petty Cash Balance	\$300.00
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Change Funds	\$0.00
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<b>Total</b>	<b>\$7,603,802.98</b>
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<b>Less Outstanding Checks</b>	<b>-\$215,052.87</b>
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<b>Total (Reconciled Balance)</b>	<b>\$7,388,750.11</b>
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**Adjustments:**

(1)	\$0.00
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<b>Adjusted Total</b>	<b>\$7,388,750.11</b>
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Submitted by George Grice  
George Grice, Treasurer, Wheelersburg Local School District

## INVESTMENT SUMMARY AS OF JULY 31, 2023

### Federal Agency Securities (General Fund).....23.5% of Portfolio

ID/Cusip#	Description	Par Value	Moody's Rating	Purchase Date	Market Value	Yield to Maturity	Date of Maturity	Date of Next Call	Next Paid Coupon	Next Coupon Payment
3130ANLA6	FHLB	\$550,000	AAA	09/15/21	\$501,589.00	.75%	11/26/25	08/26/23 (q)	11/26/23	\$2,063
3130ALP99	FHLB	\$500,000	Aaa	03/30/21	\$457,060.00	1.07% (step)	03/30/26	09/30/23 (sa)	10/02/23	\$2,500
3130ALZB3	FHLB	\$290,000	Aaa	04/30/21	\$268,606.70	1.38% (step)	04/30/26	10/30/23 (q)	10/30/23	\$ 725
		\$1,340,000			\$1,227,255.70	(Call notations: q = quarterly; sa = semi-annual call)				

### Negotiable Certificates of Deposit.....44.3% of Portfolio

06251A2C3	Bank Hapoalim B M	FDIC	08/21/20	\$199,442.00	.30%	08/21/23	N/A	08/21/23	\$ 297
538036QR8	Live Oak Banking Co. (sc)	FDIC	07/15/21	\$195,512.00	.30%	01/16/24	N/A	08/01/23	\$ 50 (m)
61690UUH1	Morgan Stanley Bank	FDIC	04/27/20	\$245,035.00	1.75%	02/27/24	N/A	08/27/23	\$2,170
02589AC59	American Express Natl Bank	FDIC	04/04/22	\$209,379.74	2.25%	04/15/24	N/A	10/13/23	\$2,408
649447UP2	New York Community Bank	FDIC	06/03/21	\$238,644.09	.35%	06/03/24	N/A	12/03/23	\$ 435
03008GK69	Ally Bank Utah	FDIC	03/02/23	\$247,572.50	4.80%	03/03/25	N/A	09/02/23	\$6,000
61768EQV8	Morgan Stanley Private Bnk	FDIC	03/24/23	\$244,272.35	5.25%	03/24/25	N/A	09/25/23	\$6,484
58404DRX1	Medallion Bank Utah	FDIC	03/23/23	\$243,187.00	5.00%	03/24/26	N/A	08/24/23	\$1,040 (m)
23204HNP9	Customers Bank	FDIC	03/24/23	\$243,485.90	5.05%	03/24/26	N/A	09/24/23	\$6,186
87164XW28	Synchrony Bank	FDIC	03/29/23	\$243,191.90	5.00%	03/30/26	N/A	09/30/23	\$6,125
				\$2,309,722.48					

### Non-Negotiable Certificates of Deposit.....9.6% of Portfolio

	WesBanco Bank	PC	03/23/23	\$500,000.00	5.00%	03/23/25	N/A	08/23/23	\$2,083 (m)
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#### Notes:

1. "SC" indicates invested scholarship funds.
2. "PC" indicates the funds are insured via bank pooled collateral as required by Ohio law.

### Money Market Accounts & STAR Ohio—immediate liquidity.....22.6% of Portfolio

STAR Ohio	\$1,168,732.54
Huntington Investment Company money market account---Gen. Fund	\$ .00
Fifth/Third Securities money market account—General Fund	\$12,727.63
	\$1,181,460.17

**TOTAL PORTFOLIO**

**\$5,518,438.35**

**Last month's total stood at \$5,958,341.21. A Certificate of Deposit matured, which was cashed (not re-invested) by the District.**