

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

Appendix A

GENERAL FUND

	<u>SEPTEMBER 2023</u>	<u>SEPTEMBER 2022</u>	<u>SEPTEMBER 2021</u>
Beginning Balance September 1	\$4,359,952.52	\$4,116,827.60	\$3,743,370.22
Revenues	\$891,717.74	\$1,032,366.93	\$820,810.21
Expenditures	\$1,474,784.78	\$1,449,270.69	\$1,100,143.06
Ending Balance September 30	<u>\$3,776,885.48</u>	<u>\$3,699,923.84</u>	<u>\$3,464,037.37</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 September has just been presented. On the rest of this page we briefly mention September'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 SEPTEMBER 2023 IN THE GENERAL FUND

1. The main development in September 2023 is a timing issue carried over from the August 2023 financial report. The state paid the District for its Rollback and Homestead Exemption real estate tax reimbursements in August, instead of September, when the District normally receives that revenue. Therefore, revenues were lower in September 2023 as compared to September 2022.
2. There was almost no change in total General Fund expenditures in September 2023 compared to the prior year. September in both years had three payrolls but total payroll expense increased moderately (by 4.8%).

WHAT TO EXPECT FROM THE GENERAL FUND IN OCTOBER 2023 AND BEYOND

October typically is a deficit cash-flow month but the state will update the computation of state funding during October and the District could receive a "catch-up" payment. This could offset the usual deficit spending.

TOTAL OF ALL FUNDS

	<u>SEPTEMBER 2023</u>	<u>SEPTEMBER 2022</u>
Beginning Balance September 1	\$7,666,735.15	\$7,619,022.37
Revenues	\$1,214,714.60	\$1,483,491.41
Expenditures	<u>\$1,844,700.51</u>	<u>\$1,787,880.35</u>
Ending Balance September 30	<u>\$7,036,749.24</u>	<u>\$7,314,633.43</u>

TOTAL OF ALL FUNDS CASH-FLOW NOTES FOR SEPTEMBER 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.

Besides the decrease in the General Fund (see discussion above), the Total of All Funds slightly decreased primarily due to deficit spending in the District's federal grant programs. (At the beginning of a new school year, the District must cover initial expenses and then submit a reimbursement request.) The only other group of funds to experience a significant financial shift was the District's student activities funds, which saw large cash inflow upon collection of fundraising orders.

WHEELERSBURG LOCAL SCHOOL DISTRICT					
FISCAL YEAR 2024 TREND FINANCIAL REPORT					
CURRENT FISCAL YEAR IS JULY 1, 2023 THROUGH JUNE 30, 2024, COMPARED TO PAST TWO YEARS					
September 30, 2023					
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
	Revenues				
1.01	Real Estate Taxes	\$1,691,504	\$1,427,230	\$264,274	\$1,562,065
1.035	(2) Unrestricted State Foundation	\$2,364,323	\$2,270,891	\$93,432	\$1,753,594
1.04	(2) Restricted State Aid	\$124,304	\$123,233	\$1,071	\$33,464
1.05	State Share of Local Property Taxes	\$227,564	\$205,345	\$22,219	\$206,605
1.06	All Other Operating Revenue	\$199,284	\$131,566	\$67,718	\$573,544
2.05	Advances In	\$15,606	\$0	\$15,606	\$28,455
2.06	All Other Financial Sources	\$3,333	\$33,447	(\$30,114)	\$41,891
2.08	Total Revenues	\$4,625,918	\$4,191,712	\$434,206	\$4,199,618
	Expenditures				
3.01	Personal Services	\$2,236,328	\$2,115,568	(\$120,760)	\$1,676,031
3.02	Employees' Retirement/Insurance	\$874,409	\$816,969	(\$57,440)	\$743,922
3.03	Purchased Services	\$549,778	\$420,259	(\$129,519)	\$533,801
3.04	Supplies & Materials	\$219,048	\$208,716	(\$10,332)	\$154,633
4.30	Other Expenditures	\$94,890	\$77,415	(\$17,475)	\$76,035
5.01	Transfers Out	\$40,335	\$88,070	\$47,735	\$24,000
5.05	Total Expenditures	\$4,014,788	\$3,726,997	(\$287,791)	\$3,208,422
7.02	Ending Cash Balance	\$3,776,886	\$3,699,924	\$76,962	\$3,464,037
6.01	(3) Revenue in Excess of Costs (Loss)	\$611,130	\$464,715	\$146,415	\$991,196
(1) The "Impact Positive / (Negative)" 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) "Revenue in Excess of Costs (Loss)" . 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

Line

<u>Item</u>	<u>Revenue Category</u>	<u>Notes</u>
1.01	Real Estate Taxes	In September the District received its second half settlement of 2023 real estate taxes. The District is showing a large increase over this time last year which was expected. In September 2022 the District learned of a taxpayer refund awarded by the Ohio Board of Tax Appeals. That refund was for a period of years, but the refund all came out of last year's tax revenue. This is why the District expected this year's current tax revenue would rebound in September 2023.
1.035	Unrestricted State Aid	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 not yet fully known but we expect it to be much more than what shows here. The state is expected to substitute updated data in the formula computation in October and the total should significantly change.
1.06	All Other Operating Revenue	The largest source of increase in this fund is investment income.

Line

<u>Item</u>	<u>Expense Category</u>	<u>Notes</u>
3.01	Personal Services	<ul style="list-style-type: none"> The District has agreed to a 2% salary increase for all its employees, plus it created a new experience step which benefitted all employees who had at least 12 years of experience. There was no savings from staff changes from last year to this year, which is unusual. Typically, retirements or turnover will produce some savings. Line 3.02, Employees' Retirement and Insurance--The District began absorbing a mid-year 10% medical premium increase September 1, 2023. Also, most of the new employees signed up for the District's medical insurance, increasing cost compared to the people they were replacing.
3.03	Purchased Services	This state deducted a large amount (\$80,152) from our September revenue to pay for a correction to last year's College Credit Plus Program. Also, the District, due to a timing issue has paid for its property & fleet insurances (\$46,000) in FY 2024 instead of before the end of FY 2023.
4.30	Other Expenditures	The District's liability insurance (\$14,000) also was paid in July 2023 instead of June.

September 30, 2023

**WHEELERSBURG LOCAL SCHOOL DISTRICT
Cash Reconciliation Report**

Total Fund Balance		<u><u>\$7,036,749.24</u></u>
Gross Depository (Bank) Balances:		
Wesbanco (Checking)	\$1,645,858.88	
Investments		
Certificates of Deposit	\$2,643,000.00	
Other Securities (cost as of September 30, 2023)	\$1,340,000.00	
Other Investments (Star Ohio, money market funds, etc.)	\$1,422,224.47	

Sub-Total: Investments	\$5,405,224.47	
Cash in Transit to Depository (recorded but undeposited monies)	\$5,045.56	
Petty Cash Balances:		
Wheelersburg Elementary	\$500.00	
Wheelersburg High School	\$500.00	
Administrative Office	\$300.00	

Sub-Total: Petty Cash Balance	\$1,300.00	
Change Funds	\$4,800.00	

Total	\$7,062,228.91	
Less Outstanding Checks	-\$25,479.67	

Total (Reconciled Balance)	\$7,036,749.24	
Adjustments:		
(1)	\$.00	

Adjusted Total		<u><u>\$7,036,749.24</u></u>

Submitted by George Grice
George Grice, Treasurer, Wheelersburg Local School District

INVESTMENT SUMMARY AS OF SEPTEMBER 30, 2023

Federal Agency Securities (General Fund).....23.3% 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	\$499,636.50	.75%	11/26/25	11/26/23 (q)	11/26/23	\$2,063
3130ALP99	FHLB	\$500,000	Aaa	03/30/21	\$455,610.00	1.07% (step)	03/30/26	03/30/24 (sa)	10/02/23	\$2,500
3130ALZB3	FHLB	\$290,000	Aaa	04/30/21	\$267,806.30	1.38% (step)	04/30/26	10/30/23 (q)	10/30/23	\$ 725
		\$1,340,000			\$1,223,052.80					

(Call notations: q = quarterly; sa = semi-annual call)

Negotiable Certificates of Deposit.....40.2% of Portfolio

538036QR8	Live Oak Banking Co. (sc)	FDIC	07/15/21	\$196,970.00	.30%	01/16/24	N/A	10/01/23	\$ 50 (m)
61690UUH1	Morgan Stanley Bank	FDIC	04/27/20	\$246,197.50	1.75%	02/27/24	N/A	02/27/24	\$2,170
02589AC59	American Express Natl Bank	FDIC	04/04/22	\$210,338.46	2.25%	04/15/24	N/A	10/13/23	\$2,408
649447UP2	New York Community Bank	FDIC	06/03/21	\$240,446.85	.35%	06/03/24	N/A	12/03/23	\$ 435
03008GK69	Ally Bank Utah	FDIC	03/02/23	\$247,105.00	4.80%	03/03/25	N/A	03/02/24	\$6,000
61768EQV8	Morgan Stanley Private Bnk	FDIC	03/24/23	\$243,640.25	5.25%	03/24/25	N/A	03/25/24	\$6,484
58404DRX1	Medallion Bank Utah	FDIC	03/23/23	\$242,221.70	5.00%	03/24/26	N/A	10/24/23	\$1,040 (m)
23204HNP9	Customers Bank	FDIC	03/24/23	\$242,525.50	5.05%	03/24/26	N/A	03/24/24	\$6,186
87164XW28	Synchrony Bank	FDIC	03/29/23	\$242,246.20	5.00%	03/30/26	N/A	03/30/24	\$6,125
				\$2,111,691.46					

Non-Negotiable Certificates of Deposit.....9.5% of Portfolio

WesBanco Bank	PC	03/23/23	\$500,000.00	5.00%	03/23/25	N/A	10/23/23	\$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.....27.0% of Portfolio

STAR Ohio	\$1,179,499.99
Huntington Investment Company money market account---Gen. Fund	\$18,588.35
Fifth/Third Securities money market account—General Fund	\$224,136.13
	\$1,422,224.47

TOTAL PORTFOLIO

\$5,256,968.73

Last month's total stood at \$5,228,951.99. Several investments paid interest during the month of September, increasing the total.