

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

Appendix A

GENERAL FUND

	<u>DECEMBER 2023</u>	<u>DECEMBER 2022</u>	<u>DECEMBER 2021</u>
Beginning Balance December 1	\$3,336,001.14	\$3,072,276.01	\$2,581,800.28
Revenues	\$904,561.31	\$879,820.42	\$786,337.67
Expenditures	\$1,141,698.79	\$1,154,747.08	\$1,097,243.96
Ending Balance December 31	<u>\$3,098,863.66</u>	<u>\$2,797,349.35</u>	<u>\$2,270,893.99</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 December has just been presented. On the rest of this page we briefly mention December'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 DECEMBER 2023 IN THE GENERAL FUND

1. State funding is driving this increase in revenue. Unrestricted aid increased by about \$65,000 compared to December 2023.
2. General Fund expenditures In December 2023 closely compared to the same period last year. Personnel costs were nearly the same.

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

January typically is a deficit cash-flow month and the first month in calendar year 2024 should be no different. The District's deficit spend should continue until February's real estate tax advance arrives in late February.

TOTAL OF ALL FUNDS

	<u>DECEMBER 2023</u>	<u>DECEMBER 2022</u>
Beginning Balance December 1	\$5,681,040.94	\$5,715,880.64
Revenues	\$1,291,626.51	\$1,419,368.04
Expenditures	\$1,401,027.94	\$1,503,822.15
Ending Balance December 31	<u>\$5,571,639.51</u>	<u>\$5,631,426.53</u>

TOTAL OF ALL FUNDS CASH-FLOW NOTES FOR DECEMBER 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.

Partially offsetting the decrease in the General Fund (see discussion above), three fund groups saw cash balance increases in December. Thanks to a generous private donation, student activity funds increased by a total of \$89,000. The Food Service Fund made gains as it increased by about \$29,000. Federal grant funds increased by a modest \$10,000

Federal grant revenue has caught up with federal grant spending. At the beginning of a new school year, the District must cover initial expenses and then submit a reimbursement request. Money then flows to the District via monthly reimbursements.

No other funds saw a significant cash balance change.

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					
December 31, 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	\$1,562,066
1.035	(2) Unrestricted State Foundation	\$5,038,912	\$4,524,457	\$514,455	\$3,457,554
1.04	(2) Restricted State Aid	\$272,889	\$248,343	\$24,546	\$66,929
1.05	State Share of Local Property Taxes	\$227,564	\$205,345	\$22,219	\$210,144
1.06	All Other Operating Revenue	\$280,773	\$216,332	\$64,441	\$1,193,289
2.05	Advances In	\$15,606	\$0	\$15,606	\$28,455
2.06	All Other Financial Sources	\$3,901	\$83,917	(\$80,016)	\$106,924
2.08	Total Revenues	\$7,531,149	\$6,705,624	\$825,525	\$6,625,361
	Expenditures				
3.01	Personal Services	\$4,318,710	\$4,109,426	(\$209,284)	\$3,839,810
3.02	Employees' Retirement/Insurance	\$1,716,289	\$1,620,510	(\$95,779)	\$1,508,866
3.03	Purchased Services	\$1,048,125	\$886,635	(\$161,490)	\$1,077,957
3.04	Supplies & Materials	\$359,141	\$350,674	(\$8,467)	\$284,259
4.30	Other Expenditures	\$115,441	\$88,169	(\$27,272)	\$92,416
5.01	Transfers Out	\$40,335	\$88,070	\$47,735	\$24,000
5.05	Total Expenditures	\$7,598,041	\$7,143,484	(\$454,557)	\$6,827,308
7.02	Ending Cash Balance	\$3,098,864	\$2,797,349	\$301,515	\$2,270,894
6.01	(3) Revenue in Excess of Costs (Loss)	(\$66,892)	(\$437,860)	\$370,968	(\$201,947)
(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	The District has received its full settlement of the second half of 2023 real estate tax collection. The District is showing a large increase over this time last year which was expected. In December 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 entire refund was paid from last year's current tax revenue. This is why the District expected this year's current tax revenue to rebound.
1.035	Unrestricted State Aid	The state of Ohio had simulated a significant increase in funding to our District for FY 2024, which is the first year of the state of Ohio's new biennial budget. (This is also the third year of the state's adoption of the Fair Schools Funding Plan.) The state has updated its data in the formula computation, with the expected increase.
1.06	All Other Operating Revenue	The two largest sources of increased funding in this category are investment income and Medicaid in School Program revenue.

Line		
<u>Item</u>	<u>Expense Category</u>	<u>Notes</u>
	Personnel costs	<p>This note section will deal with Line Items 3.01 and 3.02.</p> <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 gave an additional raise to most employees who had at least 12 years of experience. • The District saw no savings from staff changes from last year to this year, which is unusual. Typically, retirements or turnover will produce some savings. • Salary increases currently have added 5.1% in cost. • Line 3.02, Employees' Retirement and Insurance--The District began absorbing a mid-year 10% medical premium increase August 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. Partially offsetting some of these costs is a decrease in the District's Workers' Compensation premium, producing a FY 2024 savings of more than \$16,000. These factors have created a 5.9% increase in Retirement and Insurance cost (Line 3.02).
3.03	Purchased Services	<p>Four factors are driving the large increase in this cost category:</p> <ul style="list-style-type: none"> • This state has deducted \$74,000 more in College Credit Plus tuition as students take advantage of this dual high school/college credit program. • 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. If we return to a normal payment schedule, the District will make two payments in FY 2024. • Special education cooperative unit costs are more by \$68,000 in FY 2024.
4.30	Other Expenditures	The District's liability insurance (\$14,000) also was paid in July 2023 instead of June.

December 31, 2023

**WHEELERSBURG LOCAL SCHOOL DISTRICT
Cash Reconciliation Report**

Total Fund Balance	\$5,571,639.51
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Gross Depository (Bank) Balances:

Wesbanco (Checking)	\$548,374.71
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Investments

Certificates of Deposit	\$2,871,000.00
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Other Securities (cost as of December 31, 2023)	\$1,340,000.00
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Other Investments (Star Ohio, money market funds, etc.)	\$826,736.91
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Sub-Total: Investments	\$5,037,736.91
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Cash in Transit to Depository (recorded but undeposited monies)	\$1,580.00
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Petty Cash Balances:

Wheelersburg Elementary	\$500.00
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Wheelersburg High School	\$500.00
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Administrative Office	\$300.00
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Sub-Total: Petty Cash Balance	\$1,300.00
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Change Funds	\$4,800.00
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Total	\$5,593,791.62
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Less Outstanding Checks	-\$22,167.11
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Total (Reconciled Balance)	\$5,571,624.51
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Adjustments:

(1) December bank fee to be refunded in January.	\$15.00
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Adjusted Total	\$5,571,639.51
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Submitted by George Grice
George Grice, Treasurer, Wheelersburg Local School District

INVESTMENT SUMMARY AS OF DECEMBER 31, 2023

Federal Agency Securities (General Fund).....25.4% 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	\$512,270.00	.75%	11/26/25	02/26/24 (q)	05/26/24	\$2,063
3130ALP99	FHLB	\$500,000	Aaa	03/30/21	\$468,665.00	1.07% (step)	03/30/26	03/30/24 (sa)	04/02/24	\$2,500
3130ALZB3	FHLB	<u>\$290,000</u>	Aaa	04/30/21	<u>\$275,137.50</u>	1.38% (step)	04/30/26	01/30/24 (q)	04/30/24	\$ 725
		\$1,340,000			\$1,256,072.50	(Call notations: q = quarterly; sa = semi-annual call)				

Negotiable Certificates of Deposit.....47.8% of Portfolio

538036QR8	Live Oak Banking Co. (sc)	FDIC	07/15/21	\$199,534.00	.30%	01/16/24	N/A	01/01/24	\$ 50 (m)
61690UUH1	Morgan Stanley Bank	FDIC	04/27/20	\$248,552.50	1.75%	02/27/24	N/A	02/27/24	\$2,170
02589AC59	American Express Natl Bank	FDIC	04/04/22	\$212,131.78	2.25%	04/15/24	N/A	04/13/24	\$2,408
649447UP2	New York Community Bank	FDIC	06/03/21	\$243,955.26	.35%	06/03/24	N/A	06/03/24	\$ 435
334891AA6	First Natl. Bank of Waverly	FDIC	11/14/23	\$229,053.36	5.45%	11/14/24	N/A	01/15/24	\$1,035 (m)
03008GK69	Ally Bank Utah	FDIC	03/02/23	\$249,150.00	4.80%	03/03/25	N/A	03/02/24	\$6,000
61768EQV8	Morgan Stanley Private Bnk	FDIC	03/24/23	\$245,492.45	5.25%	03/24/25	N/A	03/25/24	\$6,484
58404DRX1	Medallion Bank Utah	FDIC	03/23/23	\$245,999.60	5.00%	03/24/26	N/A	01/24/24	\$1,040 (m)
23204HNP9	Customers Bank	FDIC	03/24/23	\$246,195.60	5.05%	03/24/26	N/A	03/24/24	\$6,186
87164XW28	Synchrony Bank	FDIC	03/29/23	<u>\$245,965.30</u>	5.00%	03/30/26	N/A	03/30/24	\$6,125
				\$2,366,029.85					

Non-Negotiable Certificates of Deposit.....10.1% of Portfolio

	WesBanco Bank	PC	03/23/23	\$500,000.00	5.00%	03/23/25	N/A	01/23/24	\$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.....16.7% of Portfolio

STAR Ohio	\$794,869.26
Huntington Investment Company money market account---Gen. Fund	\$24,328.20
Fifth/Third Securities money market account—General Fund	<u>\$7,539.45</u>
	\$826,736.91

TOTAL PORTFOLIO

\$4,948,839.26

Last month's total stood at \$5,317,038.74. Market values of existing investments rose, but this was overshadowed by the District's draw on liquid reserves to meet December requirements. Debt payments were due December 1 and the District paid for a school bus.