

**WHEELERSBURG LOCAL SCHOOL DISTRICT
FINANCIAL REPORT: SUMMARY AND ANALYSIS – JANUARY 2024**

Appendix A

GENERAL FUND

	<u>JANUARY 2024</u>	<u>JANUARY 2023</u>	<u>JANUARY 2022</u>
Beginning Balance January 1	\$3,098,863.66	\$2,797,349.35	\$2,270,893.99
Revenues	\$962,090.68	\$963,154.55	\$1,359,976.65
Expenditures	\$1,161,289.57	\$1,071,093.74	\$583,532.95
Ending Balance January 31	<u>\$2,899,664.77</u>	<u>\$2,689,410.16</u>	<u>\$3,047,337.69</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 January has just been presented. On the rest of this page we briefly mention January'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 JANUARY 2024 IN THE GENERAL FUND

1. Revenues from state funding continued the strong increase compared to last year (plus \$91,000 for the month of January), yet total January General Fund revenues were nearly identical to last year's. The District did not receive a delinquent tax payment from the County Auditor in January 2024, compared to a receipt of around \$120,000 in January 2023. This is a timing issue that will disappear in February.
2. General Fund expenditures In January 2024 increased significantly. A new factor in January 2024 is the 20% medical insurance premium increase enacted by the Scioto Health Plan. Other expense categories across the board also increased.

WHAT TO EXPECT FROM THE GENERAL FUND IN FEBRUARY 2024 AND BEYOND

February 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>JANUARY 2024</u>	<u>JANUARY 2023</u>
Beginning Balance January 1	\$5,571,639.51	\$5,631,426.53
Revenues	\$1,421,243.69	\$1,316,709.83
Expenditures	\$1,469,633.00	\$1,438,176.86
Ending Balance January 31	<u>\$5,523,250.20</u>	<u>\$5,509,959.50</u>

TOTAL OF ALL FUNDS CASH-FLOW NOTES FOR JANUARY 2024

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 General Fund's January decrease is the biggest factor in the change of All Funds. The Food Service Fund and the Permanent Improvement Fund also saw spending above revenues, but Grant funds revenue nearly matched the other decreases. A cash request for grant funds made mid-month arrived before the end of January, which gave the District two sets of grant receipts for the month. (It would not be surprising for February grant expenses to exceed grant revenues, since this is the usual cash flow cycle for grant funds.)

No other funds saw a significant cash balance change.

January 31, 2024

(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 showed an increase over this period last year, which was expected. In January 2023 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. In January 2024, the District did not receive its usual installment of delinquent tax payments. (It was received in early February instead.) This has created a timing issue that will disappear in next month's report.
1.035	Unrestricted State Aid	The District had forecast a significant increase in funding 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 increase is expected to be in the neighborhood of a million dollars and also includes Line Item 1.04, "Restricted State Aid".
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 5.0% in cost. • Line 3.02, Employees' Retirement and Insurance--The District absorbed a mid-year 10% medical premium increase August 1, 2023, and has now begun to absorb a 20% medical premium increase effective January 1, 2024. • Thanks to the District's improved employee injury rating, the District's Workers' Compensation premium decreased by producing a FY 2024 savings of more than \$16,000, or a 47% cost reduction. These factors have created a 7.25% increase in Retirement and Insurance cost (Line 3.02).
3.03	Purchased Services	<p>Four factors are driving the substantial increase in this cost category:</p> <ul style="list-style-type: none"> • This state has deducted \$45,000 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 \$127,000 in FY 2024.
4.30	Other Expenditures	The District's liability insurance (\$14,000) also was paid in July 2023 instead of June 2023.

January 31, 2024

WHEELERSBURG LOCAL SCHOOL DISTRICT
Cash Reconciliation Report

Total Fund Balance	<u><u>\$5,523,250.20</u></u>
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Gross Depository (Bank) Balances:

Wesbanco (Checking)	\$717,339.59
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Investments

Certificates of Deposit	\$2,913,721.74
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Other Securities (cost as of January 31, 2024)	\$1,340,000.00
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Other Investments (Star Ohio, money market funds, etc.)	\$608,298.56
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Sub-Total: Investments	----- \$4,862,020.30
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Cash in Transit to Depository (recorded but undeposited monies)	\$1,015.75
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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	\$5,586,475.64
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Less Outstanding Checks	-\$63,225.44
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Total (Reconciled Balance)	\$5,523,250.20
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Adjustments:

(1)	\$.00
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Adjusted Total	<u><u>\$5,523,250.20</u></u>
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Submitted by George Grice
George Grice, Treasurer, Wheelersburg Local School District

INVESTMENT SUMMARY AS OF JANUARY 31, 2023

Federal Agency Securities (General Fund).....26.3% 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	\$513,788.00	.75%	11/26/25	02/26/24 (q)	05/26/24	\$2,063
3130ALP99	FHLB	\$500,000	Aaa	03/30/21	\$470,130.00	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>\$275,734.90</u>	1.38% (step)	04/30/26	01/30/24 (q)	04/30/24	\$ 725
		\$1,340,000			\$1,259,652.90	(Call notations: q = quarterly; sa = semi-annual call)				

Negotiable Certificates of Deposit.....50.1% of Portfolio

61690UUH1	Morgan Stanley Bank	FDIC	04/27/20	\$249,332.50	1.75%	02/27/24	N/A	02/27/24	\$2,170
02589AC59	American Express Natl Bank	FDIC	04/04/22	\$212,728.84	2.25%	04/15/24	N/A	04/13/24	\$2,408
649447UP2	New York Community Bank	FDIC	06/03/21	\$245,008.53	.35%	06/03/24	N/A	06/03/24	\$ 435
334891AA6	First Natl. Bank of Waverly	FDIC	11/14/23	\$229,306.44	5.45%	11/14/24	N/A	01/15/24	\$1,035 (m)
03008GK69	Ally Bank Utah	FDIC	03/02/23	\$249,952.50	4.80%	03/03/25	N/A	03/02/24	\$6,000
61768EQV8	Morgan Stanley Private Bnk	FDIC	03/24/23	\$246,212.75	5.25%	03/24/25	N/A	03/25/24	\$6,484
23204HNP9	BMW Bank	FDIC	01/16/24	\$222,992.00	4.25%	01/20/26	N/A	07/19/24	\$4,760
58404DRX1	Medallion Bank Utah	FDIC	03/23/23	\$247,766.05	5.00%	03/24/26	N/A	01/24/24	\$1,040 (m)
23204HNP9	Customers Bank	FDIC	03/24/23	\$247,937.55	5.05%	03/24/26	N/A	03/24/24	\$6,186
87164XW28	Synchrony Bank	FDIC	03/29/23	<u>\$247,770.95</u>	5.00%	03/30/26	N/A	03/30/24	\$6,125
				\$2,399,008.11					

Non-Negotiable Certificates of Deposit.....10.9% of Portfolio

WesBanco Bank	PC	03/23/23	\$518,721.74	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.....12.7% of Portfolio

STAR Ohio	\$598,122.56
Huntington Investment Company money market account---Gen. Fund	\$515.14
Fifth/Third Securities money market account—General Fund	<u>\$9,660.86</u>
	\$608,298.56

TOTAL PORTFOLIO	\$4,785,681.31	Last month's total stood at \$4,948,839.26. Rising market values and added investment earnings were not enough to offset the draw needed during January 2024 to cover the month's deficit spending.
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