

**WHEELERSBURG LOCAL SCHOOL DISTRICT
FINANCIAL REPORT: SUMMARY AND ANALYSIS – JULY 2022**

Appendix A

GENERAL FUND

	<u>JULY 2022</u>	<u>JULY 2021</u>	<u>JULY 2020</u>
Beginning Balance July 1	\$3,235,208.85	\$2,472,841.06	\$1,437,211.10
Revenues	\$2,072,053.84	\$2,351,510.18	\$2,199,755.97
Expenditures	\$1,095,124.76	\$1,059,087.36	\$1,338,404.34
Ending Balance July 31	<u>\$4,212,137.93</u>	<u>\$3,765,263.88</u>	<u>\$2,298,562.73</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 2022 IN THE GENERAL FUND

1. July 2022 General Fund revenues decreased compared to July 2021. The Scioto County Auditor sent information regarding a tax refund given to a taxpayer who had appealed their tax valuation to the state Board of Tax Appeals and won the reduction of their taxable valuation. The total refunded, with several years' taxes impacted, came to around \$170,000. Another tax-related issue reduced July 2022 revenue, but it is a timing issue that will disappear during August. Those reductions were offset somewhat by the operation of the state's new funding formula, which was not operational in July 2021.
2. Total General Fund spending is nearly the same amount as in July 2021. Personnel costs are significantly more this year than during the same period last year due to the District increasing its staff size and granting staff salary increases.

WHAT TO EXPECT FROM THE GENERAL FUND IN AUGUST 2022 AND BEYOND

August will again be a positive cash-flow month with the receipt of the final August real estate tax settlement. Assuming the Department of Medicare issues the late payment in August, August's revenues will be somewhat inflated by that receipt.

TOTAL OF ALL FUNDS

	<u>JULY 2022</u>	<u>JULY 2021</u>
Beginning Balance July 1	\$6,509,572.76	\$5,511,255.12
Revenues	\$2,290,889.70	\$2,902,431.41
Expenditures	\$1,475,713.99	\$1,333,140.94
Ending Balance July 31	<u>\$7,324,748.47</u>	<u>\$7,080,545.59</u>

TOTAL OF ALL FUNDS CASH-FLOW NOTES FOR JULY 2022

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 Total of All Funds greatly increased this month, driven by the funds that receive real estate taxes, namely the General Fund, the Permanent Improvement Fund, and the Bond Retirement Fund. downward by the General Fund. Two funds saw significant decreases which are according to their normal cycle. Federal grant fund receipts expended \$224,000 more than income, but the District had already received much of that grant money before June 30. The District typically sends an advance deposit from its Food Service Fund in July each year to its food service management company, causing a temporary cash-flow deficit in the Food Service Fund.

WHEELERSBURG LOCAL SCHOOL DISTRICT
JULY 31, 2022 TREND FINANCIAL REPORT
CURRENT FISCAL YEAR BEGINNING JULY 1, 2022, COMPARED TO PAST TWO YEARS

Forecast		Actual FYTD	Actual FYTD	(1) Amount		Actual YTD
Line		FY 2023	FY 2022	Change		FY 2021
7.01	Beginning Cash Balance	\$3,235,209	\$2,472,841	\$762,368		\$1,437,211
	Revenues					
1.01	Real Estate Taxes	\$1,178,800	\$1,552,743	(\$373,943)		\$1,316,000
1.035	(2) Unrestricted State Foundation	\$740,465	\$567,789	\$172,676		\$589,255
1.04	(2) Restricted State Aid	\$41,083	\$11,155	\$29,928		\$11,154
1.05	Property Tax Allocation	\$0	\$0	\$0		\$0
1.06	All Other Operating Revenue	\$111,705	\$191,369	(\$79,664)		\$281,279
2.05	Advances In	\$0	\$28,454	(\$28,454)		\$913
2.06	All Other Financial Sources	\$0	\$0	\$0		\$1,155
2.08	Total Revenues	<u>\$2,072,053</u>	<u>\$2,351,510</u>	<u>(\$279,457)</u>		<u>\$2,199,756</u>
	Expenditures					
3.01	Personal Services	\$590,741	\$543,297	(\$47,444)		\$818,477
3.02	Employees' Retirement/Insurance	\$266,449	\$252,430	(\$14,019)		\$251,233
3.03	Purchased Services	\$159,219	\$164,644	\$5,425		\$228,729
3.04	Supplies & Materials	\$47,072	\$30,513	(\$16,559)		\$9,912
4.30	Other Expenditures	\$31,644	\$68,203	\$36,559		\$30,052
5.01	Transfers Out	\$0	\$0	\$0		\$0
5.02	Advances Out	\$0	\$0	\$0		\$0
5.05	Total Expenditures	<u>\$1,095,125</u>	<u>\$1,059,087</u>	<u>(\$36,038)</u>		<u>\$1,338,403</u>
7.02	Ending Cash Balance	\$4,212,137	\$3,765,264	\$446,873		\$2,298,564
6.01	(3) Revenue in Excess of Costs (Loss)	\$976,928	\$1,292,423	(\$315,495)		\$861,353

(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 CATEGORIES

Line

<u>Item</u>	<u>Revenue Category Name</u>	<u>Notes</u>
1.01	Real Estate Taxes	The District has received an advance on its August 2022 real estate settlement. At this point last year, the District had received the final settlement in addition to the advance, so a part of the reduced revenue at July 31, 2022 is a timing issue. Another \$170,000 difference is due to the taxpayer refunded discussed on page one.
1.035	Unrestricted State Aid	The state of Ohio's new funding formula for the 2022-2023 school year is operational for July 2022 but was not during July 2021. Therefore, there will not be an "apples to apples" comparison available for this category until February 2023. The District does expect an increase in revenue in this category due to an additional phase-in of the formula.
1.040	Restricted Aid	The same is true of this revenue from the state of Ohio, so the comparison to last year is not an accurate picture at this point. The state expects the District to spend these funds in specific ways. There are "strings" attached.
1.06	All Other Operating Revenue	The state's funding formula difference is also seen here as there is currently no separate funding for open enrollment students attending our District. Last year, there was, so until February 2023 there will continue to be a severe variance in this category, since open enrollment was such a generous supply of revenue here. (The District still receives funding for those students. It is now found in Line 1.035, "Unrestricted State Aid".

NOTES REGARDING SIGNIFICANT EXPENDITURE CATEGORIES

Line

<u>Item</u>	<u>Expense Category Name</u>	<u>Notes</u>
3.01	Personal Services	Salaries and wages and its partner (Line 3.02, Retirement and Insurance) increased by 6.7% due to the base raise (3%) the District gave all employees and due to the increase in the number of employees. (The District's employment roster has increased from 141 to 160.) While federal grants have paid for some of the added employees, the cost of several have been absorbed by the General Fund.
4.05	Other Objects	The timing issue found in real estate tax revenue (Line 1.01) leads to an expense category timing issue. The District pays Scioto County governments (offices of the auditor and treasurer) to bill, receipt, and process taxes for our District. (This payment is set in Ohio law.) When the tax settlement came later, then that also moves back the accompanying charges.

July 31, 2022

**WHEELERSBURG LOCAL SCHOOL DISTRICT
Cash Reconciliation Report**

Total Fund Balance		\$7,324,748.47
Gross Depository (Bank) Balances:		
Wesbanco (Checking)	\$2,068,856.35	
Investments		
Certificates of Deposit	\$1,768,000.00	
Other Securities (cost as of July 31, 2022)	\$1,340,000.00	
Other Investments (Star Ohio, money market funds, etc.)	\$2,298,050.42	

Sub-Total: Investments	\$5,406,050.42	
Cash in Transit to Depository (recorded but undeposited monies)		\$0.00
Petty Cash Balances:		
Wheelersburg Elementary		\$0.00
Wheelersburg High School		\$0.00
Administrative Office		\$300.00

Sub-Total: Petty Cash Balance		\$300.00
Change Funds		\$0.00

Total	\$7,475,206.77	
Less Outstanding Checks	-\$150,458.30	

Total (Reconciled Balance)	\$7,324,748.47	
Adjustments:		
(1)		\$0.00

Adjusted Total		\$7,324,748.47

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

INVESTMENT SUMMARY AS OF JULY 31, 2022

Federal Agency Securities (General Fund).....23.8% of Portfolio

<u>ID/Cusip#</u>	<u>Description</u>	<u>Par Value</u>	<u>Moody's Rating</u>	<u>Purchase Date</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Date of Maturity</u>	<u>Date of Next Call</u>	<u>Next Paid Coupon</u>	<u>Next Coupon Payment</u>
3130ANLA6	FHLB	\$550,000	AAA	09/15/21	\$513,947.50	.75%	11/26/25	08/26/22 (q)	11/26/22	\$ 688
3130ALP99	FHLB	\$500,000	Aaa	03/30/21	\$466,235.00	1.07% (step)	03/30/26	09/30/22 (sa)	09/30/22	\$1,250
3130ALZB3	FHLB	\$290,000	Aaa	04/30/21	\$276,207.60	1.38% (step)	04/30/26	10/30/22 (q)	10/30/22	\$ 725
		\$1,340,000			\$1,256,390.10					

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

Negotiable Certificates of Deposit.....32.7% of Portfolio

05580AYP3	BMW Bank No. America	FDIC	03/04/21	\$246,400.00	.15%	02/27/23	N/A	09/04/22	\$ 188
17312Q3R8	Citibank National Assn. (g)	FDIC	04/03/19	\$250,017.50	2.75%	04/03/23	N/A	10/02/22	\$3,438
33847E4S3	Flagstar Bank (sc)	FDIC	07/16/21	\$150,878.55	.25%	07/17/23	N/A	08/16/22	\$ 194
06251A2C3	Bank Hapoalim B M (g)	FDIC	08/21/20	\$194,214.00	.30%	08/21/23	N/A	08/21/22	\$ 300sa
538036QR8	Live Oak Banking Co. (sc)	FDIC	07/15/21	\$191,702.00	.30%	01/16/24	N/A	09/01/22	\$ 50m
61690UUH1	Morgan Stanley Bank (g)	FDIC	04/27/20	\$244,332.50	1.75%	02/27/24	N/A	01/27/23	\$3,421
02589AC59	American Express Natl Bank	FDIC	04/04/22	\$210,383.40	2.25%	04/15/24	N/A	10/13/22	\$2,408
649447UP2	New York Community Bank	FDIC	06/03/21	\$235,872.72	.35%	06/03/24	N/A	12/03/22	\$ 435
	(g=General; sc=scholarship)			\$1,723,800.67					

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

Commercial Paper.....0% of Portfolio

No Commercial Paper.

Money Market Accounts & STAR Ohio—immediate liquidity.....43.5% of Portfolio

STAR Ohio	\$2,279,120.37
Huntington Investment Company money market account---Gen. Fund	\$1,787.10
Fifth/Third Securities money market account—General Fund	\$13,989.79
	\$2,294,897.26

TOTAL PORTFOLIO

\$5,275,088.03

Total investments increased as market values for current investments rose. Last month's total stood at \$5,268,524.08.

**FINANCIAL REPORT SUPPLEMENT - STUDENT WELLNESS & SUCCESS (FUND 467)
WITH GENERAL FUND RESTATEMENT TO INCLUDE FUND 467**

The Ohio Department of Education instructed districts to omit Student Wellness and Success (“Fund 467”) revenue and expenses from their Five-Year Forecasts. The District decided to use most of its Fund 467 money to cover costs formerly paid from the General Fund. Our decision to match these costs with Fund 467 revenue was necessary since Ohio froze our funding at the FY 2019 level and the District ended Fiscal Year 2019 with a \$387,000 operating deficit making it necessary to use these funds to cover pre-existing costs. This report tracks current and total use of this revenue source.

PART 1: FUND 467 ACTIVITY THROUGH JULY 31, 2022 FOR FY 2022

	<u>JULY 2022 (A)</u>	<u>YEAR-TO-DATE 2022 (B)</u>
Beginning Balance	\$71,879.03	\$71,879.03
Revenues	\$.00	\$.00
Expenditures	<u>\$3,285.00</u>	<u>\$3,285.00</u>
Ending Balance July 31	\$68,594.03	\$68,594.03

PART 2: FY 2022 YEAR-TO-DATE FUND 467 CATEGORY SPENDING ACTIVITY

<u>Spending Category</u>	<u>FY 2023 Totals</u>	<u>FY 2022 Totals</u>	<u>FY 2021 Totals</u>	<u>FY 2020 Totals</u>
Guidance counselors	.00	\$37,081.91	\$292,975.19	\$182,584.73
School nurse & aide (FY21)	.00	\$12,404.70	\$108,582.67	\$62,790.51
CAPE tuition	.00	\$21,712.00	\$15,153.00	\$19,823.84
Pirate Digital Academy	.00	.00	\$17,206.00	\$19,199.75
School psychologist	.00	.00	\$34,000.00	\$32,925.00
School security services	<u>\$3,285.00</u>	<u>\$2,300.00</u>	<u>\$1,150.00</u>	<u>\$12,676.17</u>
TOTAL	\$3,285.00	\$73,498.61	\$469,066.86	\$330,000.00

Note: Pirate Digital Academy and the nurse aide (FY 2021) are the only new services on this list.

PART 3: GENERAL FUND (“GF”) RESTATEMENT TO INCLUDE FUND 467

	<u>JULY 2022</u>	<u>JULY 2021</u>	<u>JULY 2020</u>
Ending GF Balance July 31	\$4,212,137.93	\$3,765,263.88	\$2,298,562.73
Prior Year Ending Fund 467 Balance	\$71,879.03	\$145,377.64	\$55,022.50
Revenues, Fund 467 year-to-date	.00	\$.00	\$.00
Expenditures, Fund 467 year-to-date	<u>\$3,285.00</u>	<u>-\$29,503.63</u>	<u>-\$39,528.52</u>
Restated Ending GF Balance July 31	\$4,280,731.96	\$3,881,137.89	\$2,314,056.71