

**RIVER VALLEY SCHOOL DISTRICT
SPRING GREEN, WISCONSIN**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORTS**

Year Ended June 30, 2010

RIVER VALLEY SCHOOL DISTRICT

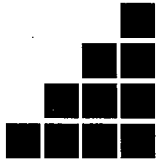
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Vig & Associates, LLC
Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Education
River Valley School District
Spring Green, Wisconsin

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the River Valley School District (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's Board of Education and management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the River Valley School District as of June 30, 2010, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Special Education Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 8, 2010, on our consideration of the River Valley School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 and the Schedule of Funding Progress for Post-Employment Benefit Plans on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and are also not a required part of the financial statements. The combining and individual fund financial statements and the schedules of expenditures of awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Vij Associates LLC

November 8, 2010

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

The discussion and analysis of the River Valley School District's financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on District financial performance as a whole. Comparison to prior year data is provided for all key financial information.

FINANCIAL HIGHLIGHTS

- The District's overall net assets, as reflected in the District-wide Statement of Net Assets on June 30, 2010, was \$9.3M.
- The General Fund (Fund 10) fund balance increased from \$4.13M to \$4.33M. The fund balance is 27% of Fund 10 expenditures.
- Financial activity resulted in a net operating loss of \$36,303 in the Food Service Fund (Fund 50). The Board of Education had anticipated a transfer would be needed for this fund when the 2009-2010 budget was completed. The closure of schools due to inclement weather, and the closure of an open kitchen policy at the High School equated to a loss in expected revenue.
- Capital assets have been reported at \$18.5M and accumulated depreciation of \$7.7M for a net capital asset value of \$10.8M (see Note 2.C.). The amount listed represents the estimated historical cost of all land, buildings and improvements, machinery and equipment with a unit value of at least \$2,500.
- The electors of the District approved a \$6,000,000 referendum to exceed the revenue limit by \$1,200,000 per year for 5 years starting in 2006-07. The referendum allows the District to exceed the revenue limit for non-recurring purposes consisting of paying expenses relating to general operations, annual maintenance and roof repairs at all facilities. On November 2, 2010 electors of the District approved a recurring referendum to exceed the revenue limit each year by \$1,200,000 beginning in the 2011-12 school year as the five year nonrecurring referendum of \$1,200,000 each year expires at the end of the 2010-11 school year.
- Total revenues for Governmental Funds were \$18.5M. This amount includes \$9.0M of local property taxes, and \$8.8M of state and federal aid. Property taxes and other taxes represent 49% of all revenue. State and federal aid represents 47% of all revenue.
- The District changed to a new health insurance provider beginning in the 2007-08 school year which led to a 14.6% reduction in health insurance premiums compared to 2006-07 health insurance premiums. The 2008-09 health insurance increase was 3.4%, and the 2009-10 increase is 1%. For the 2010-11 school year, District health insurance premiums rose by 10%. The District is committed to continuing its efforts to control health insurance costs as the standing Health Insurance Study Committee (HISC) will continue to explore new and different employee benefit options for health insurance costs, as these costs are a substantial part of the District's overall budget.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of management's discussion and analysis and the basic financial statements (District-wide and fund statements) including notes to the financial statements. Supplemental information is also included in the report.

The basic financial statements consist of four components: (1) District-Wide Financial Statements, (2) Fund Financial Statements, (3) Notes to Financial Statements, and (4) Required Supplemental Information.

- The District-Wide Financial Statements provide information on a District-wide basis. These statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
 - The Statement of Net Assets compares assets to liabilities to give an overall view of the financial health of the District.
 - The Statement of Activities defines the entity's expenses by function and illustrates the total that is offset by corresponding revenues – charges for services and/or operating grants and contributions. General revenues and extraordinary credits are identified. The result is total net expense offset by general and miscellaneous revenue – recognizing the change in net assets for the District from the previous year.
 - These statements report information about the overall governmental unit, distinguish between governmental activities and business-type activities, report all assets (including infrastructure assets) and eliminate internal service fund and interfund activity and balances. The District-wide statements are designed to assess the government unit in its entirety, identify the true cost of providing services to its citizens, disclose the extent of capital asset investment and make better comparisons between governmental units.
- The Fund Financial Statements generally report operations in more detail than the District-wide Statements and support the Statement of Net Assets.
 - Generally accepted accounting principles (GAAP) require the inclusion of separate sets of financial statements for governmental funds, enterprise (business-type) and fiduciary funds (see pages 12 through 19). The enterprise and fiduciary funds use the full accrual basis of accounting. The financial statements for governmental funds are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, the financial statements include a summary reconciliation explaining the differences between the data reported in the governmental funds and the data reported for the governmental activities in the District-wide and fund financial statements.
- The Notes to the Financial Statements provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

- The *Required Supplemental Information* presents certain information concerning the River Valley School District's progress toward funding its' obligation to provide other post-employment benefits to its employees. The required supplemental information can be found immediately following the Notes to the Financial Statements.

CONDENSED FINANCIAL INFORMATION

Table #1

**Net Assets - District-Wide
(in Millions of Dollars)**

| | 2010 | 2009 |
|---|---------|---------|
| <u>Assets</u> | | |
| Current assets | \$ 6.9 | \$ 6.3 |
| Capital assets | 10.8 | 10.9 |
| Other noncurrent assets | 0.1 | 0.2 |
| Total assets | \$ 17.8 | \$ 17.4 |
| <u>Liabilities</u> | | |
| Current liabilities | \$ 2.7 | \$ 2.4 |
| Noncurrent liabilities | 5.8 | 5.9 |
| Total liabilities | \$ 8.5 | \$ 8.3 |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | \$ 6.9 | \$ 6.4 |
| Restricted | 0.6 | 0.6 |
| Unrestricted | 1.8 | 2.1 |
| Total net assets | \$ 9.3 | \$ 9.1 |

Statement of Net Assets: (Refer to Table #1)

As of June 30, 2010, the District reported total assets of \$17.8M and total liabilities of \$8.5M compared to \$17.4M and \$8.3M, respectively, in the prior year. Net assets as of June 30, 2010 amounted to \$9.3M. This represents an increase of 2% from fiscal year 2009.

Fiscal year ended June 30, 2006 was the first year the District reported their unfunded retirement liability of the Wisconsin Retirement System on the balance sheet. This is an actuarially determined liability (\$1.6M), with payments being applied as part of the monthly required contribution of the retirement system. Currently the prior service contribution rate is 1.1% of retirement eligible wages. Interest is being added to this liability at a rate of 7.8% annually.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

Table #2

**Changes in Net Assets from Operating Results
For Governmental Activities
(in Millions of Dollars)**

| | Actual FY 10 | % | Actual FY 09 | % |
|--------------------------------------|-----------------|-------------|-----------------|-------------|
| Revenues: | | | | |
| Program | | | | |
| Charges for services | \$ 0.4 | 2% | \$ 0.5 | 3% |
| Operating grants and contracts | 2.4 | 13% | 2.0 | 11% |
| General | | | | |
| Property and other taxes | 9.0 | 49% | 7.8 | 43% |
| General state and federal aid | 6.4 | 34% | 7.5 | 41% |
| Other | 0.3 | 2% | 0.3 | 2% |
| Total revenues | \$ 18.5 | 100% | \$ 18.1 | 100% |
| Expenses: | | | | |
| Instruction | \$ 11.5 | 62% | \$ 10.9 | 61% |
| Pupil and instruction services | 1.1 | 6% | 1.2 | 7% |
| Administration and business services | 0.6 | 3% | 0.6 | 4% |
| Building and grounds | 2.7 | 15% | 2.7 | 15% |
| Pupil transportation | 0.9 | 5% | 0.9 | 5% |
| Other support services | 0.3 | 2% | 0.2 | 1% |
| Interest and fees | 0.2 | 1% | 0.2 | 1% |
| Food service | 0.7 | 4% | 0.7 | 4% |
| Depreciation - unallocated | 0.4 | 2% | 0.4 | 2% |
| Nonprogram expenses | - | 0% | - | 0% |
| Total expenses | \$ 18.4 | 100% | \$ 17.8 | 100% |
| Change in net assets | \$ 0.1 | | \$ 0.3 | |

Revenues: (Refer to Table #2)

For FY 10, the District received \$18.5M in revenue. 49% of this total came from local school property tax, and mobile home fees. 34% of the total came in the form of general federal and state aid. The District receives approximately 15% of all revenue in the form of specific use State Grants, Federal Aid and direct fees for services. To offset decreasing federal and state aid, property taxes increased accordingly.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

Revenues: (Refer to Table #2) (Continued)

Individuals who directly participated or benefited from a program offering contributed \$426,956 of the cost. A large portion of this amount (\$383,020) is attributable to nutrition services. Book and activity fees, admissions to athletic events, open enrollment tuition and building rental fees are also included here.

In addition, Federal and State government subsidized certain programs with grants and contributions of \$2.4M. Special Ed Aid, Transportation and Food Service-Lunch Aid are included here.

Expenses: (Refer to Table #2)

For FY 10, the District's total expenditure amount was \$18.4M. 68% was directed to pupil instruction and instructional services. Costs for textbooks, teacher salaries/benefits and instructional supplies are included in this amount. General/Building Administration and Central Services account for 25%. These costs included student transportation, individual building budgets, District maintenance and school business insurance. The Food Service Program represents 4% and unallocated depreciation, interest and fees, and nonprogram expenses represent approximately 3% of total expenditures.

General Fund Budgetary Comparison:

The District adopts an interim budget each year at its annual meeting for the subsequent year. Consistent with current state statutes and regulations, an original budget is adopted in October to reflect the actual revenue cap and state aid certification.

Fund 10 budget was originally approved with an anticipated deficit of \$17,536. The actual results for the year show a surplus of \$196,602. The additional surplus realized was the result of additional state and federal revenues in excess of what was anticipated and expense reductions compared to when the original budget was completed.

Fund Balances:

- The District's governmental funds reported fund balances of \$5.0M as of June 30, 2010. (See Note 2.I.).
- \$4.3M is in the General Fund (Fund 10). The District utilizes this fund balance for cash flow purposes.
- \$0.1M in the Debt Service Fund (Fund 39) is reserved to make the October interest payment on long-term debt. The remaining \$0.6M in the capital projects and special revenue trust funds represents money set aside for future capital projects of the District.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

Governmental Fund Budget Highlights:

The improvement in the District's financial position can be credited to effective and conservative fiscal management.

- It has been the goal of the Board of Education to implement ongoing smaller capital improvement projects in all the buildings of the District. These funds have been expended from the General Fund and have been accommodated under the revenue cap. Declining enrollment and a decrease in available funding has made this more difficult over the years. The Board of Education decided to put forth a referendum to the voters for \$1,200,000 annually to exceed the revenue limit for the next 5 years for capital improvements and operating expenses. This was approved in April, 2006.

Capital Asset and Debt Administration

Capital Assets

- At June 30, 2010, the District had \$10.8 million (net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment in Note 2.C. and summarized below:

**Capital Assets at Year-end
(Net of Depreciation, in Millions of Dollars)**

| | FY 10 | FY 09 |
|----------------------------|---------|---------|
| Land | \$ 0.1 | \$ 0.1 |
| Buildings and improvements | 10.1 | 10.3 |
| Machinery and equipment | 0.6 | 0.5 |
| Total net assets | \$ 10.8 | \$ 10.9 |

Long-term Debt

- At year end, the District had \$3.9M in Long-term General Obligation Debt.
- General Obligation Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin State Statutes require that the first property tax receipts be segregated for use for annual debt service payments. The River Valley School District complies with all statutory requirements.

**RIVER VALLEY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2010**

Decisions/Factors That Will Impact the Future of the District

- The State of Wisconsin has an open enrollment law that allows students to attend the School District of their choice with few restrictions. The State adjusts each District's general state aid payment based on the number of students who transfer. The River Valley School District has actively encouraged attendance by non-resident students through open enrollment and strives to keep resident students by offering a varied and complete curriculum. This year the number of non-resident open enrollment pupils attending the River Valley School District exceeded the number of resident pupils attending other districts.
- As mentioned earlier, the electors of the District approved a referendum to exceed the state imposed revenue limits over the next year. The additional amount approved (\$1,200,000 per year for five years), will allow the District to continue with its fifteen-year maintenance schedule with minimal impact to instructional programming.
- On November 2, 2010, electors of the District approved a recurring referendum to exceed the revenue limit each year by \$1,200,000 beginning in the 2011-12 school year as the five year nonrecurring referendum of \$1,200,000 each year expires at the end of the 2010-11 school year.
- The District has ratified two-year contracts for both the teachers and support staff bargaining units. These contracts will effect the 2009-10 and 2010-11 school years.

Contacting the District's Financial Management

This Financial Report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Business Manager, Carl Hayek at (608) 588-2551.

BASIC FINANCIAL STATEMENTS

**RIVER VALLEY SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF NET ASSETS
As of June 30, 2010**

| | Governmental Activities |
|---|----------------------------|
| Assets | |
| Current assets: | |
| Cash and investments | \$ 2,923,117 |
| Receivables: | |
| Taxes | 3,289,101 |
| Accounts | 58,951 |
| Due from other governments | 622,905 |
| Total current assets | 6,894,074 |
| Noncurrent assets: | |
| Land | 138,643 |
| Buildings and improvements | 16,739,158 |
| Machinery and equipment | 1,636,580 |
| Less: Accumulated depreciation | (7,731,507) |
| Deferred bond issuance costs | 123,075 |
| Total noncurrent assets | 10,905,949 |
| Total assets | \$ 17,800,023 |
| Liabilities | |
| Current liabilities: | |
| Accounts payable | \$ 434,612 |
| Accrued liabilities: | |
| Payroll, payroll taxes, insurance | 1,404,566 |
| Interest | 50,201 |
| Deferred revenue | 83,951 |
| Current portion of long-term obligations | 757,654 |
| Total current liabilities | 2,730,984 |
| Noncurrent liabilities: | |
| General obligation debt, net of current portion | 3,270,000 |
| Unfunded retirement liability, net of current portion | 1,534,179 |
| Vested employee benefits, net of current portion | 990,568 |
| Total noncurrent liabilities | 5,794,747 |
| Total liabilities | 8,525,731 |
| Net Assets | |
| Invested in capital assets, net of related debt | 6,882,874 |
| Restricted for: | |
| Debt service | 26,783 |
| Improvement of instruction | 46,972 |
| Capital projects | 519,809 |
| Unrestricted | 1,797,854 |
| Total net assets | 9,274,292 |
| Total liabilities and net assets | \$ 17,800,023 |

See accompanying notes to financial statements.

**RIVER VALLEY SCHOOL DISTRICT
DISTRICT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

| Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Government Activities |
|---|----------------------|-------------------------|--|--------------------------|
| Governmental activities: | | | | |
| Instruction: | | | | |
| Regular instruction | \$ 6,692,620 | \$ - | \$ 481,339 | \$ (6,211,281) |
| Vocational instruction | 718,042 | - | - | (718,042) |
| Physical instruction | 469,308 | - | - | (469,308) |
| Special education instruction | 2,840,758 | - | 1,311,959 | (1,528,799) |
| Co-curricular | 303,949 | 37,820 | - | (266,129) |
| Other instruction | 471,173 | 6,116 | - | (465,057) |
| Total instruction | <u>11,495,850</u> | <u>43,936</u> | <u>1,793,298</u> | <u>(9,658,616)</u> |
| Support services: | | | | |
| Pupil services | 678,135 | - | 129,769 | (548,366) |
| Instructional staff services | 439,927 | - | 123,391 | (316,536) |
| General administration services | 371,662 | - | - | (371,662) |
| Building administration services | 1,012,911 | - | - | (1,012,911) |
| Business services | 243,157 | - | - | (243,157) |
| Operation and maintenance of plant | 1,586,004 | - | - | (1,586,004) |
| Pupil transportation | 924,298 | - | 74,179 | (850,119) |
| Central services | 129,863 | - | - | (129,863) |
| Insurance | 167,708 | - | - | (167,708) |
| Other support services | 89,067 | - | - | (89,067) |
| Food service | 675,108 | 383,020 | 236,316 | (55,772) |
| Interest on debt | 168,582 | - | - | (168,582) |
| Amortization of debt discount | 15,385 | - | - | (15,385) |
| Depreciation - unallocated* | 364,975 | - | - | (364,975) |
| Total support services | <u>6,866,782</u> | <u>383,020</u> | <u>563,655</u> | <u>(5,920,107)</u> |
| Nonprogram: | | | | |
| Purchased instructional services | 19,494 | - | - | (19,494) |
| Other nonprogram | 627 | - | - | (627) |
| Total nonprogram | <u>20,121</u> | <u>-</u> | <u>-</u> | <u>(20,121)</u> |
| Total school district | <u>\$ 18,382,753</u> | <u>\$ 426,956</u> | <u>\$ 2,356,953</u> | <u>(15,598,844)</u> |
| General revenues: | | | | |
| Property taxes: | | | | |
| General purpose | | | | 8,176,709 |
| Debt service | | | | 784,524 |
| Community service | | | | 40,000 |
| State and federal aids not restricted to specific functions: | | | | |
| General | | | | 6,518,308 |
| Interest and investment earnings | | | | 8,175 |
| Miscellaneous | | | | 187,260 |
| Total general revenues | | | | <u>15,714,976</u> |
| Change in net assets | | | | 116,132 |
| Net assets - beginning of year | | | | <u>9,158,160</u> |
| Net assets - end of year | | | | <u>\$ 9,274,292</u> |

* This amount excludes the depreciation that is included in the direct expenses of the various functions.
See Note 2.C.

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2010
With Comparative Totals as of June 30, 2009

| | Major Funds | | | | | 2010 | 2009 |
|--|---------------------|------------------------------|-------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|
| | General Fund | Special Education Fund | Debt Service Fund | Capital Projects Fund | Nonmajor Gov't. Funds | Total Gov't. Funds | Totals (Memorandum Only) |
| Assets | | | | | | | |
| Cash and investments | \$ 2,279,352 | \$ - | \$ 76,984 | \$ 519,809 | \$ 46,972 | \$ 2,923,117 | \$ 3,376,486 |
| Receivables: | | | | | | | |
| Taxes | 3,289,101 | - | - | - | - | 3,289,101 | 2,798,011 |
| Accounts | 58,951 | - | - | - | - | 58,951 | - |
| Due from other funds | 122,645 | - | - | - | - | 122,645 | 4,797 |
| Due from other governments | 283,025 | 335,499 | - | - | 4,381 | 622,905 | 143,496 |
| Total assets | \$ 6,033,074 | \$ 335,499 | \$ 76,984 | \$ 519,809 | \$ 51,353 | \$ 7,016,719 | \$ 6,322,790 |
| Liabilities | | | | | | | |
| Accounts payable | \$ 434,612 | \$ - | \$ - | \$ - | \$ - | \$ 434,612 | \$ 422,975 |
| Accrued liabilities: | | | | | | | |
| Payroll, payroll taxes, insurance | 1,187,331 | 217,235 | - | - | - | 1,404,566 | 1,076,518 |
| Due to other funds | - | 118,264 | - | - | 4,381 | 122,645 | 4,797 |
| Deferred revenue | 83,951 | - | - | - | - | 83,951 | 25,000 |
| Total liabilities | 1,705,894 | 335,499 | - | - | 4,381 | 2,045,774 | 1,529,290 |
| Fund balances | | | | | | | |
| Reserved for: | | | | | | | |
| Improvement of instruction | - | - | - | - | 46,972 | 46,972 | 55,056 |
| Debt service | - | - | 76,984 | - | - | 76,984 | 88,826 |
| Capital projects | - | - | - | 519,809 | - | 519,809 | 519,040 |
| Unreserved: | | | | | | | |
| Designated | 4,327,180 | - | - | - | - | 4,327,180 | 4,130,578 |
| Total fund balances | 4,327,180 | - | 76,984 | 519,809 | 46,972 | 4,970,945 | 4,793,500 |
| Total liabilities and fund balances | \$ 6,033,074 | \$ 335,499 | \$ 76,984 | \$ 519,809 | \$ 51,353 | \$ 7,016,719 | \$ 6,322,790 |

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2010
With Comparative Totals as of June 30, 2009

| | 2010 Total Gov't. Funds | 2009 Totals (Memorandum Only) |
|---|----------------------------------|--|
| Total fund balances from previous page | <u>\$ 4,970,945</u> | <u>\$ 4,793,500</u> |

Total net assets reported for governmental activities in the Statement of Net Assets are different from the amount reported as total governmental funds' fund balance because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the Statement of Net Assets are:

| | | | |
|---------------------------------------|--------------------|------------|------------|
| Governmental capital assets | \$ 18,514,381 | | |
| Governmental accumulated depreciation | <u>(7,731,507)</u> | 10,782,874 | 10,926,700 |

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities reported in the Statement of Net Assets that are not reported in the Governmental Funds Balance Sheet are:

| | | | |
|---|---------------------|---------------------|--------------------|
| General obligation debt | (3,900,000) | | |
| Deferred bond issuance costs | 123,075 | | |
| Accrued interest on general obligation debt | (50,201) | | |
| Unfunded retirement liability | (1,633,005) | | |
| Vested employee benefits | <u>(1,019,396)</u> | <u>(6,479,527)</u> | <u>(6,562,040)</u> |
| Total net assets - governmental activities | <u>\$ 9,274,292</u> | <u>\$ 9,158,160</u> | |

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

| | Major Funds | | | | | 2010 Total Gov't. Funds | 2009 Totals (Memorandum Only) |
|--|---------------------|------------------------------|-------------------------|-----------------------------|-----------------------------|----------------------------------|--|
| | General Fund | Special Education Fund | Debt Service Fund | Capital Projects Fund | Nonmajor Gov't. Funds | | |
| Revenues: | | | | | | | |
| Property taxes | \$ 8,176,709 | \$ - | \$ 784,524 | \$ - | \$ 40,000 | \$ 9,001,233 | \$ 7,814,382 |
| Other local sources | 154,255 | - | 7 | 769 | 391,909 | 546,940 | 695,034 |
| Interdistrict sources | 145,938 | - | - | - | - | 145,938 | 85,914 |
| Intermediate sources | 23,556 | 3,020 | - | - | - | 26,576 | 28,330 |
| State sources | 6,459,446 | 800,200 | - | - | 12,507 | 7,272,153 | 7,794,975 |
| Federal sources | 618,825 | 641,528 | - | - | 223,809 | 1,484,162 | 1,658,300 |
| Other sources | 17,216 | - | - | - | 4,667 | 21,883 | 26,868 |
| Total revenues | 15,595,945 | 1,444,748 | 784,531 | 769 | 672,892 | 18,498,885 | 18,103,803 |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Instruction: | | | | | | | |
| Regular instruction | 6,341,746 | - | - | - | 3,053 | 6,344,799 | 5,997,612 |
| Vocational instruction | 690,048 | - | - | - | - | 690,048 | 673,773 |
| Physical instruction | 443,527 | - | - | - | 523 | 444,050 | 421,938 |
| Special education instruction | - | 2,743,748 | - | - | - | 2,743,748 | 2,608,844 |
| Co-curricular activities | 301,949 | - | - | - | 2,000 | 303,949 | 316,696 |
| Other instruction | 452,805 | - | - | - | - | 452,805 | 464,021 |
| Total instruction | 8,230,075 | 2,743,748 | - | - | 5,576 | 10,979,399 | 10,482,884 |
| Support services: | | | | | | | |
| Pupil services | 327,195 | 319,722 | - | - | 4,781 | 651,698 | 616,162 |
| Instructional staff services | 241,344 | 172,366 | - | - | 10,461 | 424,171 | 510,729 |
| General administration services | 357,172 | - | - | - | - | 357,172 | 352,506 |
| Building administration services | 976,011 | - | - | - | - | 976,011 | 914,558 |
| Business services | 243,157 | - | - | - | - | 243,157 | 235,095 |
| Operation and maintenance | 1,578,023 | - | - | - | 40,000 | 1,618,023 | 1,721,937 |
| Pupil transportation | 756,269 | 168,029 | - | - | - | 924,298 | 888,924 |
| Central services | 208,781 | - | - | - | - | 208,781 | 191,328 |
| Insurance | 167,708 | - | - | - | - | 167,708 | 167,989 |
| Other support services | 89,067 | - | - | - | - | 89,067 | 121,728 |
| Food service | - | - | - | - | 655,639 | 655,639 | 672,915 |
| Total support services | 4,944,727 | 660,117 | - | - | 710,881 | 6,315,725 | 6,393,871 |
| Debt service: | | | | | | | |
| Principal | - | - | 620,000 | - | - | 620,000 | 605,000 |
| Interest | - | - | 176,373 | - | - | 176,373 | 198,435 |
| Total debt service | - | - | 796,373 | - | - | 796,373 | 803,435 |
| Nonprogram: | | | | | | | |
| Purchased instructional services | - | 19,494 | - | - | - | 19,494 | 24,140 |
| Other nonprogram | 627 | - | - | - | - | 627 | 21,316 |
| Total nonprogram | 627 | 19,494 | - | - | - | 20,121 | 45,456 |
| Capital outlay | 168,860 | 40,140 | - | - | 822 | 209,822 | 217,946 |
| Total expenditures | 13,344,289 | 3,463,499 | 796,373 | - | 717,279 | 18,321,440 | 17,943,592 |
| Excess (deficiency) of revenues over expenditures | 2,251,656 | (2,018,751) | (11,842) | 769 | (44,387) | 177,445 | 160,211 |
| Other financing sources (uses): | | | | | | | |
| Transfer from other funds | - | 2,018,751 | - | - | 36,303 | 2,055,054 | 2,119,321 |
| Transfer to other funds | (2,055,054) | - | - | - | - | (2,055,054) | (2,119,321) |
| Total other financing sources (uses) | (2,055,054) | 2,018,751 | - | - | 36,303 | - | - |
| Net change in fund balances | 196,602 | - | (11,842) | 769 | (8,084) | 177,445 | 160,211 |
| Fund balance - beginning of year | 4,130,578 | - | 88,826 | 519,040 | 55,056 | 4,793,500 | 4,633,289 |
| Fund balance - end of year | \$ 4,327,180 | \$ - | \$ 76,984 | \$ 519,809 | \$ 46,972 | \$ 4,970,945 | \$ 4,793,500 |

See accompanying notes to financial statements.

**RIVER VALLEY SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

Net change in fund balances - total governmental funds \$ 177,445

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

| | | |
|--|------------|-----------|
| Capital outlay reported in governmental fund statements | \$ 209,822 | |
| Assets capitalized but not included in capital outlays | 137,348 | |
| Depreciation expense reported in the Statement of Activities | (490,996) | |
| | | |
| Amount by which capital outlays are greater (less) than depreciation in the current period: | | (143,826) |

Vested employee benefits are reported in the governmental funds when amounts are paid. The Statement of Activities reports the value of benefits earned during the year.

| | | |
|--|-----------|-----------|
| Vested employee benefits paid in current year | 177,328 | |
| Vested employee benefits earned in current year | (707,221) | |
| | | |
| Amounts paid are greater (less) than amounts earned by: | | (529,893) |

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Assets and does not affect the Statement of Activities.

The amount of long-term debt principal payments is: 620,000

In governmental funds interest payments on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities interest is reported as incurred.

| | | |
|--|-----------|-------|
| The amount of interest paid during the current period | 176,373 | |
| The amount of interest accrued during the current period | (168,582) | |
| | | |
| Interest paid is greater (less) than interest accrued by: | | 7,791 |

In governmental funds debt issue costs on outstanding long-term debt are reported as an expenditure when paid. In the Statement of Activities debt issue costs are amortized and expensed over the life of the issue.

| | | |
|---|----------|----------|
| The amount of debt issue costs paid during the current period | - | |
| The amount of debt issue costs recognized during the current period | (15,385) | |
| | | |
| Debt issue costs paid are greater (less) than debt issue costs recognized: | | (15,385) |

Change in net assets - governmental activities \$ 116,132

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

| | 2010 | | | Variance with Final Budget Favorable (Unfavorable) | 2009 Totals (Memorandum Only) |
|--|---------------------|---------------------|---------------------|---|--|
| | Budgeted Amounts | | Actual | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Property taxes | \$ 8,176,709 | \$ 8,176,709 | \$ 8,176,709 | \$ - | \$ 6,986,978 |
| Other local sources | 180,100 | 180,100 | 154,255 | (25,845) | 205,227 |
| Interdistrict sources | 75,000 | 75,000 | 145,938 | 70,938 | 82,310 |
| Intermediate sources | 20,000 | 20,000 | 23,556 | 3,556 | 24,986 |
| State sources | 6,770,646 | 6,770,646 | 6,459,446 | (311,200) | 6,980,576 |
| Federal sources | 291,449 | 291,449 | 618,825 | 327,376 | 1,063,153 |
| Other sources | 55,000 | 55,000 | 17,216 | (37,784) | 26,868 |
| Total revenues | 15,568,904 | 15,568,904 | 15,595,945 | 27,041 | 15,370,098 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular instruction | 6,380,780 | 6,380,780 | 6,341,746 | 39,034 | 5,996,472 |
| Vocational instruction | 692,518 | 692,518 | 690,048 | 2,470 | 673,773 |
| Physical instruction | 446,394 | 446,394 | 443,527 | 2,867 | 421,191 |
| Co-curricular activities | 332,158 | 332,158 | 301,949 | 30,209 | 315,082 |
| Other instruction | 419,142 | 419,142 | 452,805 | (33,663) | 464,021 |
| Total instruction | 8,270,992 | 8,270,992 | 8,230,075 | 40,917 | 7,870,539 |
| Support services: | | | | | |
| Pupil services | 287,964 | 287,964 | 327,195 | (39,231) | 300,779 |
| Instructional staff services | 230,948 | 230,948 | 241,344 | (10,396) | 301,220 |
| General administration services | 373,045 | 373,045 | 357,172 | 15,873 | 352,506 |
| Building administration services | 966,257 | 966,257 | 976,011 | (9,754) | 914,558 |
| Business services | 243,853 | 243,853 | 243,157 | 696 | 235,095 |
| Operation and maintenance | 1,682,316 | 1,682,316 | 1,578,023 | 104,293 | 1,686,937 |
| Pupil transportation | 755,000 | 755,000 | 756,269 | (1,269) | 728,845 |
| Central services | 195,709 | 195,709 | 208,781 | (13,072) | 191,328 |
| Insurance | 171,000 | 171,000 | 167,708 | 3,292 | 167,989 |
| Other support services | 84,511 | 84,511 | 89,067 | (4,556) | 120,618 |
| Total support services | 4,990,603 | 4,990,603 | 4,944,727 | 45,876 | 4,999,875 |
| Nonprogram: | | | | | |
| Other nonprogram | 15,000 | 15,000 | 627 | 14,373 | 21,316 |
| Total nonprogram | 15,000 | 15,000 | 627 | 14,373 | 21,316 |
| Capital outlay | 140,350 | 140,350 | 168,860 | (28,510) | 205,816 |
| Total expenditures | 13,416,945 | 13,416,945 | 13,344,289 | 72,656 | 13,097,546 |
| Excess (deficiency) of revenues over expenditures | 2,151,959 | 2,151,959 | 2,251,656 | 99,697 | 2,272,552 |
| Other financing sources (uses): | | | | | |
| Transfer to other funds | (2,169,495) | (2,169,495) | (2,055,054) | 114,441 | (2,119,321) |
| Total other financing sources (uses) | (2,169,495) | (2,169,495) | (2,055,054) | 114,441 | (2,119,321) |
| Net change in fund balances | (17,536) | (17,536) | 196,602 | 214,138 | 153,231 |
| Fund balance - beginning of year | 4,130,578 | 4,130,578 | 4,130,578 | - | 3,977,347 |
| Fund balance - end of year | \$ 4,113,042 | \$ 4,113,042 | \$ 4,327,180 | \$ 214,138 | \$ 4,130,578 |

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL EDUCATION FUND
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

| | 2010 | | Actual | Variance with Final Budget Favorable (Unfavorable) | 2009 Totals (Memorandum Only) |
|--|--------------------|--------------------|--------------------|---|--|
| | Budgeted Amounts | | | | |
| | Original | Final | | | |
| Revenues: | | | | | |
| Interdistrict sources | \$ - | \$ - | \$ - | \$ - | \$ 3,604 |
| Intermediate sources | - | - | 3,020 | 3,020 | 3,344 |
| State sources | 770,000 | 770,000 | 800,200 | 30,200 | 800,685 |
| Federal sources | 660,590 | 660,590 | 641,528 | (19,062) | 385,096 |
| Total revenues | <u>1,430,590</u> | <u>1,430,590</u> | <u>1,444,748</u> | <u>14,158</u> | <u>1,192,729</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Special education instruction | 2,821,798 | 2,821,798 | 2,743,748 | 78,050 | 2,608,844 |
| Total instruction | <u>2,821,798</u> | <u>2,821,798</u> | <u>2,743,748</u> | <u>78,050</u> | <u>2,608,844</u> |
| Support services: | | | | | |
| Pupil services | 329,381 | 329,381 | 319,722 | 9,659 | 314,327 |
| Instructional staff services | 165,696 | 165,696 | 172,366 | (6,670) | 159,154 |
| Pupil transportation | 180,000 | 180,000 | 168,029 | 11,971 | 160,079 |
| Other support services | - | - | - | - | 1,110 |
| Total support services | <u>675,077</u> | <u>675,077</u> | <u>660,117</u> | <u>14,960</u> | <u>634,670</u> |
| Nonprogram: | | | | | |
| Purchased instructional services | 24,000 | 24,000 | 19,494 | 4,506 | 24,140 |
| Total nonprogram | <u>24,000</u> | <u>24,000</u> | <u>19,494</u> | <u>4,506</u> | <u>24,140</u> |
| Capital outlay | <u>60,700</u> | <u>60,700</u> | <u>40,140</u> | <u>20,560</u> | <u>10,149</u> |
| Total expenditures | <u>3,581,575</u> | <u>3,581,575</u> | <u>3,463,499</u> | <u>118,076</u> | <u>3,277,803</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,150,985)</u> | <u>(2,150,985)</u> | <u>(2,018,751)</u> | <u>132,234</u> | <u>(2,085,074)</u> |
| Other financing sources (uses): | | | | | |
| Transfer from General Fund | 2,150,985 | 2,150,985 | 2,018,751 | (132,234) | 2,085,074 |
| Total other financing sources (uses) | <u>2,150,985</u> | <u>2,150,985</u> | <u>2,018,751</u> | <u>(132,234)</u> | <u>2,085,074</u> |
| Net change in fund balances | - | - | - | - | - |
| Fund balance - beginning of year | - | - | - | - | - |
| Fund balance - end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
As of June 30, 2010
With Comparative Totals as of June 30, 2009

| | Private- Purpose Trust Fund | Agency Fund | 2010 Total Fiduciary | 2009 Totals (Memorandum Only) |
|---|-----------------------------------|-------------------|----------------------------|--|
| Assets | | | | |
| Cash and investments | \$ 12,063 | \$ 100,963 | \$ 113,026 | \$ 118,752 |
| Total assets | <u>\$ 12,063</u> | <u>\$ 100,963</u> | <u>\$ 113,026</u> | <u>\$ 118,752</u> |
| Liabilities | | | | |
| Due to student groups | \$ - | \$ 100,963 | \$ 100,963 | \$ 105,889 |
| Total liabilities | <u>-</u> | <u>100,963</u> | <u>100,963</u> | <u>105,889</u> |
| Net Assets | | | | |
| Reserved for scholarships | 12,063 | - | 12,063 | 12,863 |
| Total net assets | <u>12,063</u> | <u>-</u> | <u>12,063</u> | <u>12,863</u> |
| Total liabilities and net assets | <u>\$ 12,063</u> | <u>\$ 100,963</u> | <u>\$ 113,026</u> | <u>\$ 118,752</u> |

See accompanying notes to financial statements.

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

| | 2010 Private- Purpose Trust Fund | 2009 Totals (Memorandum Only) |
|---------------------------------------|---|--|
| Additions | | |
| Private donations | \$ 9,250 | \$ 19,223 |
| Total additions | <u>9,250</u> | <u>19,223</u> |
| Deductions | | |
| Scholarships awarded | 10,050 | 10,170 |
| Total deductions | <u>10,050</u> | <u>10,170</u> |
| Change in net assets | (800) | 9,053 |
| Net assets - beginning of year | <u>12,863</u> | <u>3,810</u> |
| Net assets - end of year | <u>\$ 12,063</u> | <u>\$ 12,863</u> |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**RIVER VALLEY SCHOOL DISTRICT
INDEX TO NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the River Valley School District conform to generally accepted accounting principles as applicable to governmental units.

A. REPORTING ENTITY

The River Valley School District is organized as a common school district. The District, governed by a nine member elected school board, operates early childhood through grade 12 and is comprised of all or parts of seventeen taxing districts. This report includes all of the funds of the River Valley School District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

B. BASIS OF FINANCIAL STATEMENT PRESENTATION

District-Wide Financial Statements

The District-wide financial statements (the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the District. The effect of interfund activity, within the governmental columns, has been removed from these statements. Governmental activities are generally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues included (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Funds are organized as major funds or nonmajor funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following governmental funds:

General Fund – The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The District reports the following major governmental funds:

- | | |
|------------------------|-----------------------|
| General Fund | Debt Service Fund |
| Special Education Fund | Capital Projects Fund |

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF FINANCIAL STATEMENT PRESENTATION (Continued)

Governmental Funds (Continued)

The District reports the following nonmajor funds:

Special Revenue Funds-
 Food Service Fund
 Community Service Fund
 Special Revenue Trust Fund

Fiduciary Funds (Not included in District-Wide Statements)

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust for student scholarships.

Agency Fund – The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units. The District accounts for its Student Activity Fund as an agency fund.

C. BASIS OF ACCOUNTING

The District-Wide Statement of Net Assets and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property tax revenues are recognized as revenue in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BASIS OF ACCOUNTING (Continued)

Property taxes are collected by local taxing districts until January 31. Real estate tax collections after that date are made by the county, which assumes all responsibility for delinquent real estate taxes.

The aggregate amount of property taxes to be levied for district purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2009 tax roll:

| | |
|---|------------------|
| Lien date and levy date | December, 2009 |
| Tax bills mailed | December, 2009 |
| Payment in full or first installment due | January 31, 2010 |
| Second installment due | July 31, 2010 |

State general and categorical aids and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred revenue. Amounts received prior to the entitlement period are also recorded as deferred revenue.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

Charges for services provided other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. MEASUREMENT FOCUS

On the District-Wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the District-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

E. CASH AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

F. INVENTORIES

Governmental fund inventories are recorded at cost based on the FIFO (first-in, first-out) method using the consumption method of accounting.

G. LONG-TERM OBLIGATIONS

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the District-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the District-wide statements. The long-term debt consists primarily of notes, bonds or loans payable, unfunded retirement liability, and vested employee benefits.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. LONG-TERM OBLIGATIONS (Continued)

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

H. CAPITAL ASSETS

District-Wide Statements

In the District-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The District maintains a threshold level of a unit cost of \$2,500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|----------------------------|---------------|
| Buildings and improvements | 20 - 70 years |
| Machinery and equipment | 5 - 20 years |

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

J. BUDGETS

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.C.

The budgeted amounts presented include amendments adopted during the year. Transfers between functions and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the function level in the General Fund and at the fund level for all other funds.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

L. COMPENSATED ABSENCES AND OTHER EMPLOYEE BENEFIT AMOUNTS

The District's policy allows calendar year employees to earn varying amounts of vacation pay each year depending on the total number of years employed. Vacation pay is granted on July 1 of the ensuing year and the employee may accumulate up to five days, which may be carried over to the next year, or the employee may request cash payment. Upon retirement or termination of employment, the employee is entitled to the pro-rated amount of vacation pay.

The District's policy allows employees to earn and accumulate up to twelve days of sick leave per year. School year employees may accumulate up to a maximum of 90 days. Employees who are assigned to work a schedule that is greater than the school year may accumulate a maximum of up to 120 days. Support staff are paid \$25 per day for unused sick leave greater than the maximum allowed accumulation at the end of each fiscal period. At retirement, support staff with at least 10 years of service will receive one-half of the unused sick days up to a maximum of 20, to be compensated at a rate based on the employee's regular hourly rate. Teachers get 14 sick/emergency days per year and may accumulate up to a maximum of 120 days. The teacher may elect to be paid one-half of the current substitute teacher's rate of pay or to bank their sick days. At retirement, teachers do not receive payment for accumulated sick days or vacation days.

Under contractual retirement options, the District is liable for salary, social security, and health insurance payments.

As provided in applicable negotiated contracts, qualified employees meeting minimum age and length of service requirements may be eligible for certain other post-employment benefits directly from the District (See Note 2.G.).

M. OTHER ASSETS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized over the life of the debt issue.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statement. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the District-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year end.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. EQUITY CLASSIFICATIONS

District-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.
- b. Restricted net assets – Consists of new assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

It is the District's policy to use restricted resources first, then unrestricted resources as they are needed when both are available.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. EQUITY CLASSIFICATIONS (Continued)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved and unreserved, with unreserved further split between designated and undesignated. Reserved fund balances represent amounts not available for appropriation or is legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative management plans that are subject to change. Undesignated fund balance amounts represent amounts available for use in future periods.

Q. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 8, 2010, which is the date the financial statements were issued.

NOTE 2. DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

Investment of District funds is restricted by State Statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin, if the time deposits mature in not more than three years.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

The carrying amount of the District's cash and investments totaled \$3,036,143 on June 30, 2010 and is summarized below:

| | |
|---|--------------|
| Deposits with financial institutions | \$ (100,325) |
| Investments: | |
| Local Government Investment Pool (LGIP) | 3,136,468 |
| | \$ 3,036,143 |

Reconciliation to the basic financial statements:

| | |
|--|--------------|
| District-Wide Statement of Net Assets: | |
| Cash and investments | \$ 2,923,117 |
| Fiduciary funds: | |
| Private Purpose Trust Fund | 12,063 |
| Agency Fund | 100,963 |
| | \$ 3,036,143 |

Deposits and investments of the District are subject to various risks. Following is a discussion of the specific risks and the District's policy related to the risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. The District evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the District. As of June 30, 2010, \$0 of the District's deposits with financial institutions totaling \$167,485 was exposed to custodial credit risk. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Deposits, the Local Government Investment Pool, and the Wisconsin Investment Series Cooperative are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing the above amounts.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of June 30, 2010, the Local Government Investment Pool had an average maturity of 78 days and a fair value of \$3,136,468.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

A. CASH AND INVESTMENTS (Continued)

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The Local Government Investment Pool (LGIP) was not rated as of June 30, 2010.

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. The District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments. The District had no investments of this type at year end.

B. INTERFUND BALANCES AND ACTIVITY

Interfund receivables/payables at June 30, 2010 are as follows:

| | Due From Other Funds | Due To Other Funds |
|------------------------|-------------------------|-----------------------|
| General Fund | \$ 122,645 | \$ - |
| Special Education Fund | - | 118,264 |
| Food Service Fund | - | 4,381 |
| | \$ 122,645 | \$ 122,645 |

Interfund transfers at June 30, 2010 were as follows:

| Transfer from: | Transfer to: | Purpose: | Total |
|----------------|------------------------|-----------------------------|--------------|
| General Fund | Special Education Fund | District's share of program | \$ 2,018,751 |
| General Fund | Food Service Fund | Operating deficit | 36,303 |
| | | | \$ 2,055,054 |

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

| | Balance 07/01/2009 | Additions | Deletions | Balance 06/30/2010 |
|--|-----------------------|---------------------|-------------|-----------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 138,643 | \$ - | \$ - | \$ 138,643 |
| Total capital assets not being depreciated | 138,643 | - | - | 138,643 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 16,544,470 | 194,688 | - | 16,739,158 |
| Machinery and equipment | 1,484,098 | 152,482 | - | 1,636,580 |
| Total capital assets being depreciated | 18,028,568 | 347,170 | - | 18,375,738 |
| Total capital assets | 18,167,211 | 347,170 | - | 18,514,381 |
| Less: Accumulated depreciation for: | | | | |
| Buildings and improvements | 6,280,783 | 369,054 | - | 6,649,837 |
| Machinery and equipment | 959,728 | 121,942 | - | 1,081,670 |
| Total accumulated depreciation | 7,240,511 | 490,996 | - | 7,731,507 |
| Net capital assets | <u>\$ 10,926,700</u> | <u>\$ (143,826)</u> | <u>\$ -</u> | <u>\$ 10,782,874</u> |

Depreciation expense was charged to functions as follows:

| | |
|----------------------------|-------------------|
| Instruction: | |
| Regular | \$ 90,427 |
| Physical education | 7,244 |
| Special education | 849 |
| Support services: | |
| Operation and maintenance | 3,531 |
| Central services | 4,501 |
| Food service | 19,469 |
| Depreciation - unallocated | 364,975 |
| Total depreciation expense | <u>\$ 490,996</u> |

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS

Long-term liability activity for the year ended June 30, 2010 was as follows:

| | Balance 07/01/2009 | Increases | Decreases | Balance 06/30/2010 | Amounts Due Within One Year |
|---|-----------------------|-------------------|-------------------|-----------------------|-----------------------------------|
| Bonds, notes and loans payable: | | | | | |
| General obligation debt | \$ 4,520,000 | \$ - | \$ 620,000 | \$ 3,900,000 | \$ 630,000 |
| Total bonds, notes and loans payable | 4,520,000 | - | 620,000 | 3,900,000 | 630,000 |
| Other liabilities: | | | | | |
| Vested employee benefits: | | | | | |
| Vacation and sick pay | 99,207 | 4,870 | - | 104,077 | 28,828 |
| Other post-employment benefits | 413,320 | 583,380 | 81,381 | 915,319 | - |
| Unfunded retirement liability | 1,609,981 | 118,971 | 95,947 | 1,633,005 | 98,826 |
| Total other liabilities | 2,122,508 | 707,221 | 177,328 | 2,652,401 | 127,654 |
| Total long-term liabilities | <u>\$ 6,642,508</u> | <u>\$ 707,221</u> | <u>\$ 797,328</u> | <u>\$ 6,552,401</u> | <u>\$ 757,654</u> |

General Obligation Debt

All general obligation bonds, notes and loans payable are backed by the full faith and credit of the District. Bonds, notes and loans in the governmental funds will be retired by future property tax levies.

General obligation debt at June 30, 2010 is comprised of the following individual issues:

| Type | Date of Issue | Final Maturity | Interest Rate | Original Indebtedness | Balance Outstanding 6/30/2010 |
|----------------------------------|------------------|-------------------|------------------|--------------------------|-------------------------------------|
| General obligation debt: | | | | | |
| Refunding bonds | 3/15/2001 | 3/1/2011 | 4.15% - 4.4% | \$ 1,490,000 | \$ 230,000 |
| Refunding bonds | 5/1/2005 | 3/1/2018 | 3.25% - 4.0% | 5,450,000 | 3,670,000 |
| Total general obligation debt | | | | | <u>\$ 3,900,000</u> |

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

D. LONG-TERM OBLIGATIONS (Continued)

Debt service requirements to maturity on general obligation debt are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|---------------------|-------------------|---------------------|
| 2011 | \$ 630,000 | \$ 152,675 | \$ 782,675 |
| 2012 | 410,000 | 128,955 | 538,955 |
| 2013 | 425,000 | 114,400 | 539,400 |
| 2014 | 450,000 | 97,400 | 547,400 |
| 2015 | 465,000 | 79,400 | 544,400 |
| 2016 - 2018 | 1,520,000 | 123,200 | 1,643,200 |
| | <u>\$ 3,900,000</u> | <u>\$ 696,030</u> | <u>\$ 4,596,030</u> |

In accordance with Wisconsin Statutes, total general obligation indebtedness of the District may not exceed ten percent of the equalized value of taxable property within the District's jurisdiction. The debt limit as of June 30, 2010, was \$90,802,013. Total general obligation debt outstanding at year end was \$3,900,000.

E. LEASE DISCLOSURES

Lessee – Capital Leases

The District has no material capital leases outstanding.

Lessee – Operating Leases

The District has no material operating leases with a remaining noncancellable term exceeding one year.

Lessor – Capital Leases

The District has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The District does not receive material lease payments from property rented to others.

F. EMPLOYEES' RETIREMENT SYSTEM

All eligible River Valley School District employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year (440 hours for teachers and 440 hours for educational support staff) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 6.2% and 5.9% of their salary to the plan in calendar years 2010 and 2009 respectively. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

F. EMPLOYEES' RETIREMENT SYSTEM (Continued)

The payroll for River Valley School District employees covered by the WRS for the year ended June 30, 2010 was \$8,722,489; the employer's total payroll was \$9,088,296. The total required contribution for the year ended June 30, 2010 was \$1,036,139, which consisted of \$504,986, or 5.8% of payroll from the employer and \$531,153, or 6.1% of payroll from employees. Total contributions for the years ending June 30, 2009 and 2008 were \$967,072 and \$947,462, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 are entitled to receive a retirement benefit. Employees may retire at age 55 and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of, all benefits are determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension related debt for the District as of June 30, 2010 was \$1,633,005. This liability was determined in accordance with provisions of GASB Statement 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly.

G. OTHER POST-EMPLOYMENT BENEFITS

The River Valley School District prospectively implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions" for the fiscal year ended June 30, 2009. This implementation allows the District to report its liability for other post-employment benefits consistent with newly established generally accepted accounting principles and to reflect and actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

Plan Description

The River Valley School District operates a single-employer retiree benefit plan that provides post-employment health and dental benefits to eligible employees and their spouses. There are 129 active and 11 retired members in the plan as of July 1, 2009, the most recent actuarial valuation date. Benefits and eligibility for teachers are established and amended through collective bargaining with the recognized bargaining agent for each group; and include post-employment health coverage. Benefits and eligibility for administrators are established and amended by the governing body. The plan issues stand-alone financial statements.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy

The District has elected not to establish an Employee Benefits Trust Fund to accumulate assets for payment of future benefits.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

| | |
|--|------------------------------------|
| | <u>Governmental Activities</u> |
| Annual required contribution | \$ 589,830 |
| Interest on net OPEB | 16,533 |
| Adjustment to annual required contribution | <u>(22,983)</u> |
| Annual OPEB cost (expense) | 583,380 |
| Contributions made | <u>81,381</u> |
| Change in net OPEB obligation | 501,999 |
| OPEB obligation at beginning of year | <u>413,320</u> |
| OPEB obligation at end of year | <u><u>\$ 915,319</u></u> |

Trend Information

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the preceding two years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------|---------------------|---|---------------------------|
| 6/30/2010 | \$ 583,380 | 13.9% | \$ 915,319 |
| 6/30/2009 | 653,395 | 36.7% | 413,320 |
| 6/30/2008 | N/A | N/A | N/A |

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, for the period July 1, 2009 through June 30, 2010, the District's unfunded actuarial accrued liability (UAAL) was \$4,614,348. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2009-2010 fiscal year was \$6,643,406 for a ratio of the UAAL to covered payroll of 69.5 %.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

G. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a rate of 4% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 7.5% for medical, decreased by increments to an ultimate rate of 6.1% for medical after ten years. Mortality, disability and retirement rates are based on those used to value the Wisconsin Retirement System pension plan for public schools. The UAAL is being amortized as a level dollar of projected payroll over a period of thirty years.

H. GOVERNMENTAL ACTIVITIES NET ASSETS

Governmental activities net assets reported on the District-Wide Statement of Net Assets at June 30, 2010 includes the following:

| | |
|--|----------------------------|
| Invested in capital assets, net of related debt: | |
| Capital assets, net of accumulated depreciation | \$ 10,782,874 |
| Less: related long-term debt outstanding | <u>3,900,000</u> |
| Total invested in capital assets | <u>6,882,874</u> |
| Restricted: | |
| Debt service | 26,783 |
| Improvement of instruction | 46,972 |
| Capital projects | <u>519,809</u> |
| Total restricted | <u>593,564</u> |
| Unrestricted | 1,797,854 |
| Total governmental activities net assets | <u><u>\$ 9,274,292</u></u> |

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 2. DETAILED NOTES ON ALL FUNDS (Continued)

I. GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at June 30, 2010 include the following:

Reserved

Major funds:

| | |
|------------------------------|----------------|
| Debt Service Fund | \$ 76,984 |
| Capital Projects Fund | <u>519,809</u> |
| Total major funds - reserved | <u>596,793</u> |

Nonmajor funds:

Special Revenue Funds:

| | |
|---------------------------------|---------------|
| Improvement of instruction | <u>46,972</u> |
| Total nonmajor funds - reserved | <u>46,972</u> |

Unreserved

Major fund:

General Fund:

| | |
|--|---------------------|
| Designated for subsequent years expenditures | <u>4,327,180</u> |
| Total unreserved fund balances | <u>4,327,180</u> |
| Total governmental fund balances | <u>\$ 4,970,945</u> |

J. EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2010:

| Fund | Excess Expenditures |
|-----------------------------|------------------------|
| General Fund: | |
| Capital outlay | \$ 28,510 |
| Special Revenue Trust Fund: | |
| Instruction | 5,576 |
| Capital outlay | 822 |
| Food Service Fund: | |
| Support services | 629 |

Excess expenditures were financed by favorable budget variances in various functional categories and use of fund balance.

**RIVER VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 3. OTHER INFORMATION

A. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

B. CONTINGENCIES

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

C. LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues that school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is limited to an allowable per member increase which is determined by the legislature.

This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

- A resolution of the school board or by a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

The electors of the District approved a referendum in April 2006 which authorized the District to exceed the revenue limit specified in state statutes by \$1,200,000 per year through the 2010-2011 school year.

D. SUBSEQUENT EVENT

The electors of the District approved a referendum on November 2, 2010 to continue the existing referendum which authorized the District to exceed the revenue limit specified in State Statutes by \$1,200,000 per year for recurring purposes beginning with the 2011-2012 school year.

REQUIRED SUPPLEMENTAL INFORMATION

**RIVER VALLEY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR
POST-EMPLOYMENT BENEFIT PLANS**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b) - (a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b - a)/c) |
|--------------------------------|--|--|--|--------------------------|-----------------------------|--|
| 7/1/2009 | \$ - | \$ 4,614,348 | \$ 4,614,348 | 0.00% | \$ 6,643,406 | 69.5% |
| 7/1/2006 | \$ - | \$ 4,555,033 | \$ 4,555,033 | 0.00% | \$ 5,537,897 | 82.3% |

OTHER SUPPLEMENTAL INFORMATION

**RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
GENERAL FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009**

| | 2010 | 2009 Totals (Memorandum Only) |
|--|--------------|--|
| Assets | | |
| Cash and investments | \$ 2,279,352 | \$ 2,514,351 |
| Receivables: | | |
| Taxes | 3,289,101 | 2,798,011 |
| Accounts | 58,951 | - |
| Due from other funds | 122,645 | 4,797 |
| Due from other governments | 283,025 | 138,699 |
| Total assets | \$ 6,033,074 | \$ 5,455,858 |
| Liabilities | | |
| Accounts payable | \$ 434,612 | \$ 419,341 |
| Accrued liabilities: | | |
| Payroll, payroll taxes, insurance | 1,187,331 | 880,939 |
| Deferred revenue | 83,951 | 25,000 |
| Total liabilities | 1,705,894 | 1,325,280 |
| Fund balances | | |
| Unreserved: | | |
| Designated | 4,327,180 | 4,130,578 |
| Total fund balances | 4,327,180 | 4,130,578 |
| Total liabilities and fund balances | \$ 6,033,074 | \$ 5,455,858 |

**RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
SPECIAL EDUCATION FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009**

| | 2010 | 2009 Totals (Memorandum Only) |
|--|-------------------|--|
| Assets | | |
| Cash and investments | \$ - | \$ 199,213 |
| Due from other governments | 335,499 | - |
| Total assets | <u>\$ 335,499</u> | <u>\$ 199,213</u> |
| Liabilities | | |
| Accounts payable | \$ - | \$ 3,634 |
| Accrued liabilities: | | |
| Payroll, payroll taxes, insurance | 217,235 | 195,579 |
| Due to other funds | 118,264 | - |
| Total liabilities | <u>335,499</u> | <u>199,213</u> |
| Fund balances | <u>-</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 335,499</u> | <u>\$ 199,213</u> |

**RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
DEBT SERVICE FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009**

| | 2010 | 2009 Totals (Memorandum Only) |
|--|-----------|--|
| Assets | | |
| Cash and investments | \$ 76,984 | \$ 88,826 |
| Total assets | \$ 76,984 | \$ 88,826 |
| Liabilities | \$ - | \$ - |
| Fund balances: | | |
| Reserved for debt service | 76,984 | 88,826 |
| Total fund balances | 76,984 | 88,826 |
| Total liabilities and fund balances | \$ 76,984 | \$ 88,826 |

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

| | 2010 | | | 2009 |
|---|------------------|------------------|--|--|
| | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual Totals (Memorandum Only) |
| Revenues: | | | | |
| Property taxes | \$ 784,524 | \$ 784,524 | \$ - | \$ 792,404 |
| Other local sources | - | 7 | 7 | 39 |
| Total revenues | <u>784,524</u> | <u>784,531</u> | <u>7</u> | <u>792,443</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 620,000 | 620,000 | - | 605,000 |
| Interest and fiscal charges | 176,373 | 176,373 | - | 198,435 |
| Total debt service | <u>796,373</u> | <u>796,373</u> | <u>-</u> | <u>803,435</u> |
| Total expenditures | <u>796,373</u> | <u>796,373</u> | <u>-</u> | <u>803,435</u> |
| Net change in fund balance | (11,849) | (11,842) | 7 | (10,992) |
| Fund balance - beginning of year | 88,826 | 88,826 | - | 99,818 |
| Fund balance - end of year | <u>\$ 76,977</u> | <u>\$ 76,984</u> | <u>\$ 7</u> | <u>\$ 88,826</u> |

RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
CAPITAL PROJECTS FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009

| | 2010 | 2009 Totals (Memorandum Only) |
|--|------------|--|
| Assets | | |
| Cash and investments | \$ 519,809 | \$ 519,040 |
| Total assets | \$ 519,809 | \$ 519,040 |
| Liabilities | \$ - | \$ - |
| Fund balances | | |
| Reserved for capital projects | 519,809 | 519,040 |
| Total fund balances | 519,809 | 519,040 |
| Total liabilities and fund balances | \$ 519,809 | \$ 519,040 |

**RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009**

| | 2010 | | | 2009 Actual Totals (Memorandum Only) |
|---|-------------------|-------------------|--|--|
| | Final Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues: | | | | |
| Local sources | \$ 4,000 | \$ 769 | \$ (3,231) | \$ 4,164 |
| Total revenues | <u>4,000</u> | <u>769</u> | <u>(3,231)</u> | <u>4,164</u> |
| Expenditures: | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 4,000 | 769 | (3,231) | 4,164 |
| Fund balance - beginning of year | 519,040 | 519,040 | - | 514,876 |
| Fund balance - end of year | <u>\$ 523,040</u> | <u>\$ 519,809</u> | <u>\$ (3,231)</u> | <u>\$ 519,040</u> |

**RIVER VALLEY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 As of June 30, 2010
 With Comparative Totals as of June 30, 2009**

| | Special Revenue Trust Fund | Food Service Fund | 2010 Total Nonmajor Gov't. Funds | 2009 Totals (Memorandum Only) |
|--|-------------------------------------|-------------------------|--|--|
| Assets | | | | |
| Cash and investments | \$ 46,972 | \$ - | \$ 46,972 | \$ 55,056 |
| Due from other governments | - | 4,381 | 4,381 | 4,797 |
| Total assets | <u>\$ 46,972</u> | <u>\$ 4,381</u> | <u>\$ 51,353</u> | <u>\$ 59,853</u> |
| Liabilities | | | | |
| Due to other funds | \$ - | \$ 4,381 | \$ 4,381 | \$ 4,797 |
| Total liabilities | <u>-</u> | <u>4,381</u> | <u>4,381</u> | <u>4,797</u> |
| Fund balances | | | | |
| Reserved for: | | | | |
| Improvement of instruction | 46,972 | - | 46,972 | 55,056 |
| Total fund balances | <u>46,972</u> | <u>-</u> | <u>46,972</u> | <u>55,056</u> |
| Total liabilities and fund balances | <u>\$ 46,972</u> | <u>\$ 4,381</u> | <u>\$ 51,353</u> | <u>\$ 59,853</u> |

**RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
SPECIAL REVENUE TRUST FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009**

| | 2010 | 2009 Totals (Memorandum Only) |
|--|-----------|--|
| Assets | | |
| Cash and investments | \$ 46,972 | \$ 55,056 |
| Total assets | \$ 46,972 | \$ 55,056 |
| Liabilities | \$ - | \$ - |
| Fund balances | | |
| Reserved for: | | |
| Improvement of instruction | 46,972 | 55,056 |
| Total fund balances | 46,972 | 55,056 |
| Total liabilities and fund balances | \$ 46,972 | \$ 55,056 |

RIVER VALLEY SCHOOL DISTRICT
BALANCE SHEET
FOOD SERVICE FUND
As of June 30, 2010
With Comparative Totals as of June 30, 2009

| | 2010 | 2009 Totals (Memorandum Only) |
|--|----------|--|
| Assets | | |
| Due from other governments | \$ 4,381 | \$ 4,797 |
| Total assets | \$ 4,381 | \$ 4,797 |
| Liabilities | | |
| Due to other funds | \$ 4,381 | \$ 4,797 |
| Total liabilities | 4,381 | 4,797 |
| Fund balances | - | - |
| Total liabilities and fund balances | \$ 4,381 | \$ 4,797 |

RIVER VALLEY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

| | Special Revenue Trust Fund | Food Service Fund | Community Service Fund | 2010 Total Nonmajor Gov't. Funds | 2009 Totals (Memorandum Only) |
|--|-------------------------------------|-------------------------|------------------------------|--|--|
| Revenues: | | | | | |
| Property taxes | \$ - | \$ - | \$ 40,000 | \$ 40,000 | \$ 35,000 |
| Other local sources | 8,889 | 383,020 | - | 391,909 | 485,604 |
| State sources | - | 12,507 | - | 12,507 | 13,714 |
| Federal sources | - | 223,809 | - | 223,809 | 210,051 |
| Other sources | 4,667 | - | - | 4,667 | - |
| Total revenues | <u>13,556</u> | <u>619,336</u> | <u>40,000</u> | <u>672,892</u> | <u>744,369</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular instruction | 3,053 | - | - | 3,053 | 1,140 |
| Physical instruction | 523 | - | - | 523 | 747 |
| Co-curricular activities | 2,000 | - | - | 2,000 | 1,614 |
| Total instruction | <u>5,576</u> | <u>-</u> | <u>-</u> | <u>5,576</u> | <u>3,501</u> |
| Support services: | | | | | |
| Pupil services | 4,781 | - | - | 4,781 | 1,056 |
| Instructional staff services | 10,461 | - | - | 10,461 | 50,355 |
| Operation and maintenance | - | - | 40,000 | 40,000 | 35,000 |
| Food service | - | 655,639 | - | 655,639 | 672,915 |
| Total support services | <u>15,242</u> | <u>655,639</u> | <u>40,000</u> | <u>710,881</u> | <u>759,326</u> |
| Capital outlay | <u>822</u> | <u>-</u> | <u>-</u> | <u>822</u> | <u>1,981</u> |
| Total expenditures | <u>21,640</u> | <u>655,639</u> | <u>40,000</u> | <u>717,279</u> | <u>764,808</u> |
| Excess (deficiency) of revenues over expenditures | <u>(8,084)</u> | <u>(36,303)</u> | <u>-</u> | <u>(44,387)</u> | <u>(20,439)</u> |
| Other financing sources (uses): | | | | | |
| Transfer from General Fund | - | 36,303 | - | 36,303 | 34,247 |
| Total other financing sources (uses) | <u>-</u> | <u>36,303</u> | <u>-</u> | <u>36,303</u> | <u>34,247</u> |
| Net change in fund balances | <u>(8,084)</u> | <u>-</u> | <u>-</u> | <u>(8,084)</u> | <u>13,808</u> |
| Fund balance - beginning of year | <u>55,056</u> | <u>-</u> | <u>-</u> | <u>55,056</u> | <u>41,248</u> |
| Fund balance - end of year | <u>\$ 46,972</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46,972</u> | <u>\$ 55,056</u> |

RIVER VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE TRUST FUND
For the Year Ended June 30, 2010
With Comparative Actual Amounts for the Year Ended June 30, 2009

| | 2010 | | Variance Favorable (Unfavorable) | 2009 |
|---|------------------|------------------|--|---------------------------------------|
| | Final Budget | Actual | | Actual Totals (Memorandum Only) |
| Revenues: | | | | |
| Other local sources | \$ 47,000 | \$ 8,889 | \$ (38,111) | \$ 70,701 |
| Other sources | - | 4,667 | 4,667 | - |
| Total revenues | <u>47,000</u> | <u>13,556</u> | <u>(33,444)</u> | <u>70,701</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular instruction | - | 3,053 | (3,053) | 1,140 |
| Physical instruction | - | 523 | (523) | 747 |
| Co-curricular activities | - | 2,000 | (2,000) | 1,614 |
| Total instruction | <u>-</u> | <u>5,576</u> | <u>(5,576)</u> | <u>3,501</u> |
| Support services: | | | | |
| Pupil services | - | 4,781 | (4,781) | 1,056 |
| Instructional staff services | 47,000 | 10,461 | 36,539 | 50,355 |
| Total support services | <u>47,000</u> | <u>15,242</u> | <u>31,758</u> | <u>51,411</u> |
| Capital outlay | <u>-</u> | <u>822</u> | <u>(822)</u> | <u>1,981</u> |
| Total expenditures | <u>47,000</u> | <u>21,640</u> | <u>25,360</u> | <u>56,893</u> |
| Net change in fund balances | - | (8,084) | (8,084) | 13,808 |
| Fund balance - beginning of year | 55,056 | 55,056 | - | 41,248 |
| Fund balance - end of year | <u>\$ 55,056</u> | <u>\$ 46,972</u> | <u>\$ (8,084)</u> | <u>\$ 55,056</u> |

