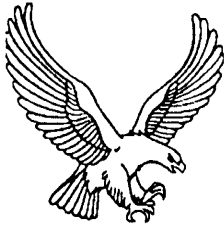




2011-2012 Budget Hearing

Prepared by Brian Krey, Business Manager
August 25, 2011

Dream. Discover. Achieve.



RIVER VALLEY SCHOOL DISTRICT

Dream. Discover. Achieve.

BRIAN KREY
Business Manager

660 West Daley Street ≈ Spring Green, Wisconsin 53588 ≈ Phone: 608-588-2551

August 25, 2011

Community Members of the River Valley School District:

This budget is a financial plan to achieve the educational objectives of the school district. The business office works with administration, staff, and board members in preparing the annual budget. This budget was developed based on principles of long-term fiscal planning. A school district budget needs to be accountable to meet the educational philosophy, goals, and graduate learner outcomes for the River Valley School District within the financial constraints that exist. I believe the budget needs to be understandable to the Board of Education, administration, staff, parents, and the district taxpayers.

This year we will continue to encounter many fiscal challenges. Some of these challenges include declining student enrollment and unprecedented changes to the revenue limit. The youth of River Valley are very fortunate to have a community that has always been supportive in providing them with a great education. We are also fortunate to have a very dedicated teaching, support and administrative staff that always have our children's best interest at heart. As our district motto states, we strive to "Dream. Discover. Achieve." This annual meeting budget is a blueprint that will enable us to accomplish that task for the coming year.

At tonight's annual meeting I will ask for community approval of the tax levy. The budget committee will review any necessary changes to the budget in October. The Board of Education will approve the final version of the budget and set the tax levy at a meeting in October.

I look forward to working with all staff, board members, and community members in continuing to make River Valley a first-class school district.

Sincerely,

Brian Krey

RIVER VALLEY SCHOOL DISTRICT

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RIVER VALLEY SCHOOL DISTRICT

2011-2012

BOARD OF EDUCATION

<u>Name</u>		<u>Address</u>	<u>Area</u>	<u>Term Expires</u>
Kay Taylor	President	Lone Rock	5	4/23/2012
Paula Caraway	Vice President	Arena	1	4/28/2014
Dennis Crowley	Treasurer	Spring Green	6	4/22/2013
Deborah Nelson	Clerk	Arena	2	4/28/2014
Dick Cates		Spring Green	8	4/23/2012
Eric Ferguson		Spring Green	7	4/23/2012
Debbie Peach		Lone Rock	4	4/28/2014
Paul Cummings		Dodgeville	3	4/22/2013
John Bettinger		Plain	9	4/22/2013

BUDGET COMMITTEE MEMBERS

Deborah Nelson, Chair
Paula Caraway
John Bettinger
Eric Ferguson
Paul Cummings, Alternate

RIVER VALLEY SCHOOL DISTRICT

EDUCATIONAL PHILOSOPHY AND GOALS

Board Policy #110 – Long Range Goals

The River Valley School District has been established primarily to serve the educational needs of children of the district. The Board, along with the district staff, shall be responsible for providing educational programs which help each individual student realize his/her potential and become a productive member of society. In addition, the Board shall strive to:

- a. Make every effort to individualize the instructional program so as to meet each student's needs, abilities and interests;
- b. Make a continuous effort to develop each student's feelings of self-worth to full potential;
- c. Provide experiences in which students have the opportunity to develop positive attitudes and values toward school, society, community and the home;
- d. Provide quality instruction with the goal that all students master a critical core of basic skills and meet academic standards required by law;
- e. Employ qualified professional and support staff members who are capable of effectively implementing the district's educational programs and auxiliary services.
- f. Promote clear communication and understanding among Board members, students, staff, administrators, parents and the community so that all may interact for the benefit of the school district;
- g. Evaluate district educational programs and services on a regular basis in order to identify strengths and weaknesses and make improvements as necessary.
- h. Cooperate with other local community and governmental agencies or organizations.

RIVER VALLEY SCHOOL DISTRICT

FUND DEFINITIONS

Various Funds are used to account for school district resources. Those funds are:

FUND 10 *General Fund*

This fund is used to account for most of the school district's revenue and spending

FUND 20 *Special Project Fund*

This fund is used to account for certain State or Federal Projects. It is divided into Sub Funds:

Sub Fund 21 This fund is used to report gifts specified by donor to be used for operating purposes of the district. Use of fund 21 provides easier tracking of expenditures should the donor request assurance that the gift was spent for its designated purpose. Fund 21 further simplifies the tracking process by allowing a district to track a specific gift by project code when desired.

Sub Fund 27 This fund records all expenses and revenues related to Special Education. Project Codes are used to determine if the expense was from a grant, if eligible for federal aid, or if eligible for state categorical aid.

FUND 30 *Debt Service Fund*

This fund is used to account for the payment of Principal and Interest on Long-term Debt. It is divided into Sub Funds:

Sub Fund 39 This fund is a sub fund of fund 30. It is used for the payment of debt incurred by the district that resulted from a referendum.

FUND 50 *Food Service Fund*

This fund is used to account for revenue and expenditures related to the operation of the district's food service.

FUND 80 *Community Service Fund*

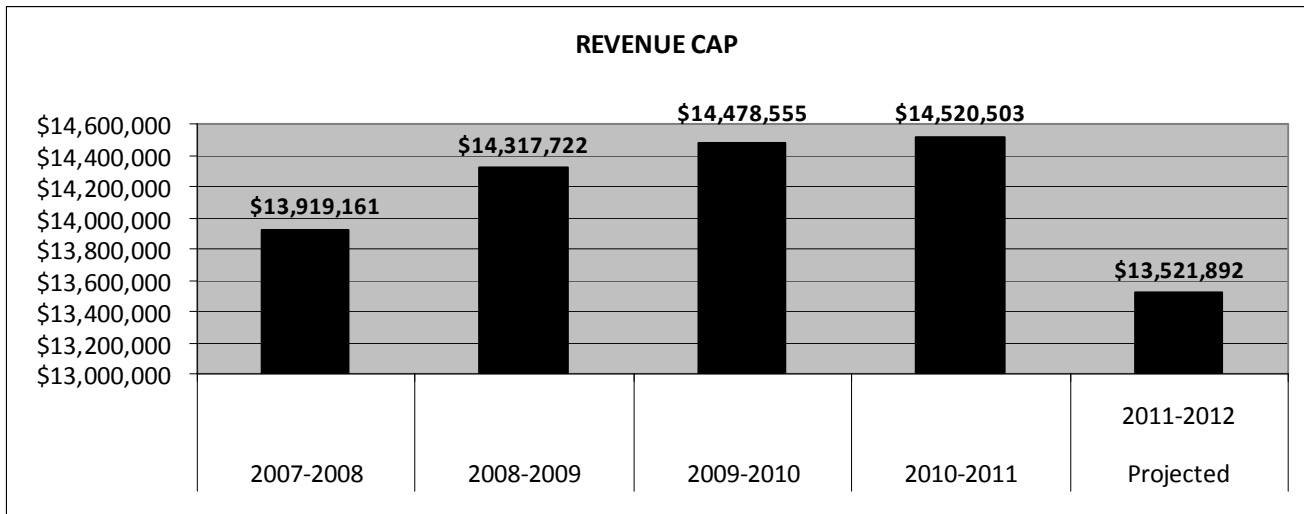
This fund is used to account for money provided from community use of school buildings and other community services.

RIVER VALLEY SCHOOL DISTRICT

STATE BUDGET DECISIONS & IMPACT

The state budget reduced the revenue limit by 5.5% in 2011-2012 (compared to 2010-2011). This reduction results in a loss of \$519.23 per student for 2011-2012 fiscal year. In the two prior years, the state budget increased the revenue limit by \$200 per student.

This budget was developed using the \$519.23 decrease per student, resulting in a revenue cap total of \$13,521,892. This is an overall decrease in the revenue cap of 6.88%.

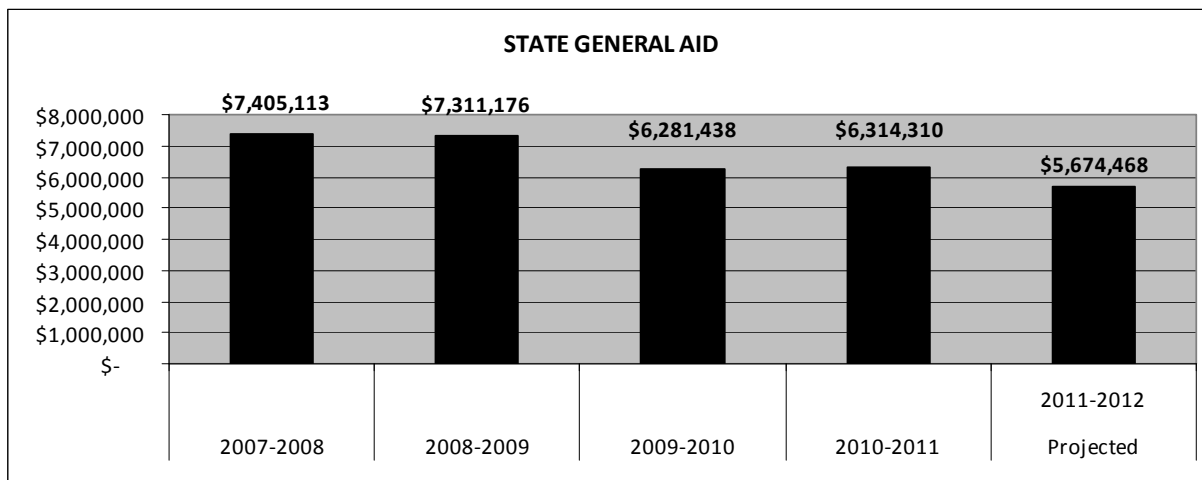


RIVER VALLEY SCHOOL DISTRICT

STATE BUDGET DECISIONS & IMPACT

The state budget had a reduction of general state (equalization) aid by 8.4% in 2011-2012 for school districts. General state aid is dependent upon equalized property values and district enrollment – two items that we will not have numbers on until October.

This budget was developed with the districts best estimates in equalized property values and district enrollment. It is projected that our district will receive \$639,842 less in state general aid for 2011-2012, a 10.13% decrease from 2010-2011.



Our district will receive more than \$1.7 million less of general state aid than we did in 2007-2008.

RIVER VALLEY SCHOOL DISTRICT

STATE BUDGET DECISIONS & IMPACT

The state budget requires employees in school districts without a collective bargaining agreement to pay 50% of the Wisconsin Retirement System (WRS) contribution. In addition, employees are required to pay 12.6% of the health insurance premium.

The state budget also requires total wage increases to not exceed a cap based on the consumer price index (CPI) unless approved by referendum.

River Valley School District settled Collective Bargaining Agreements (CBA) with RVEA (Teaching Staff) and RVEST (Support Staff) through June 30, 2013. Both agreements require staff to pay 50% of the WRS contribution. Previously, the district paid 100% of the WRS contribution. In addition, both CBA's require staff to pay 12.6% of the health insurance premium. The current health insurance provider is Dean Health.

River Valley School District's agreement with the RVEA calls for a salary freeze in 2011-2012. The agreement does allow for staff to advance on pay scale across lanes (education level). The agreement has a 1.3% increase on the salary schedule, with steps (experience) not allowed, but does allow for lane advancement. In addition, the extra and co-curricular salaries are reduced by 5% for the 2011-2012 school year. Last, the retirement package will be reduced over the next five years.

The CBA with RVEST has an increase of 1.3% on the wage from 2010-2011 and does not allow for step (experience) movement by members. In the 2012-2013 school year, RVEST members will receive an additional 1.3% increase on wages, but will again have step movement frozen.

FEDERAL BUDGET DECISIONS – STIMULUS PROGRAM

During the 2011-2012 school year, the River Valley School District will receive \$395,000 from the Education Jobs Fund. This is money that must be expended by September 2012. In addition, the money must be spent on salaries and benefits for new staff, existing staff, or re-hired staff.

This money was built in and part of the budget. It will be used on teaching staff salaries and benefits in the districts general fund (fund 10).

RIVER VALLEY SCHOOL DISTRICT

ENROLLMENT

The state revenue cap formula is a significant factor in the development of the budget. The revenue cap limits the amount of revenue available to school districts from the two main sources – (1) property taxes and (2) state equalization aid. The revenue cap directly affects Fund 10 and indirectly affects Fund 27.

Student enrollment is a key factor in the revenue cap formula. The most recent four years of historical numbers from September of each school year and the projected September 2011 numbers are shown below:

Grade	2007-2008	2008-2009	2009-2010	2010-2011	Projected 2011-2012
<i>EC/Speech</i>	16	21	19	18	18
K-5 Elementary					
K	88	99	89	89	83
1	90	85	97	89	74
2	97	92	84	89	86
3	100	91	91	85	91
4	92	98	94	94	86
5	98	90	95	90	89
TOTAL K-5 ELEM.	565	555	550	554	527
6-8 RV Middle School					
6	93	100	103	108	100
7	115	92	98	100	108
8	108	113	95	97	104
TOTAL MIDDLE	316	305	296	305	312
9-12 RV High School					
9	131	116	120	111	111
10	122	130	120	124	111
11	120	121	131	122	124
12	149	123	128	134	123
TOTAL HIGH	522	490	499	491	469
TOTAL DISTRICT	1419	1371	1364	1350	1308

The historical student count, and 2011-2012 projected count, continues to show a decreasing enrollment. While the district continues to see a decreasing enrollment, it is projected that class sizes will stay steady between 85-90 total students at the K-5 level, between 95-105 at the Middle School and between 100-110 at the High School over the next 5 years. For our school district, a decreasing enrollment results in a decrease of revenues (property taxes and state aid) being available through the revenue cap formula.

RIVER VALLEY SCHOOL DISTRICT

ENROLLMENT

Below is a breakdown of grades at each building in our district.

2011-2012 RIVER VALLEY SCHOOL DISTRICT K-5 ENROLLMENT PROJECTION BY GRADE AND BUILDING						
	K	1	2	3	4	5
Arena (109)	18	16	21	17	20	17
Lone Rock (99)	17	14	17	20	12	19
Plain (71)	8	15	14	6	13	15
Spring Green (189)	32	24	24	36	39	34
RVESS (41)	8	5	10	12	2	4
TOTAL	83	74	86	91	86	89

The River Valley Elementary Studio School (RVESS) will be located in Spring Green Elementary during the 2011-2012 school year.

The total enrollment at Spring Green Elementary that includes RVESS and Early Childhood is 248.

It is important to note that the district sees a small bump at the 6th grade level and 9th grade level as students from St. Johns in Spring Green and St. Lukes in Plain transition to our district. River Valley School District will see a projected increase of 12 students at the 6th grade level (from St. Johns) and 7 more students at the 9th grade level each year (St. Lukes).

Below is a projected enrollment breakdown of K-5 at St. Johns and St. Lukes

2011-2012 St. Johns and St. Lukes K-5 ENROLLMENT PROJECTION BY GRADE						
	K	1	2	3	4	5
St. Johns	13	10	12	14	15	8
St. Lukes	8	9	6	10	4	8
TOTAL	21	19	18	24	19	16

RIVER VALLEY SCHOOL DISTRICT

REVENUE LIMIT PROJECTIONS

The 2011-2012 revenue cap limit is projected to decrease to \$13,582,681 or \$937,822 lower than 2010-2011. This decrease equates to a 6.5% decrease.

	2007-2008	2008-2009	2009-2010	2010-2011	Budgeted 2011-2012
State Equal. Aid	\$7,405,113	\$7,311,176	\$6,281,438	\$6,314,310	\$5,674,468
Fund 10 Levy	\$6,514,048	\$7,006,546	\$8,197,117	\$8,206,193	\$7,847,424
Revenue Limit	\$13,919,161	\$14,317,722	\$14,478,555	\$14,520,503	\$13,521,892

The 2011-2012 state equalization aid is projected to decrease to \$5,674,468 or \$639,842 lower than 2010-2011. This equates to a 10.1% projected decrease.

The 2011-2012 local levy is projected to decrease to \$7,847,424 or \$358,769 lower than 2010-2011. This decrease equates to a 4.4% decrease.

	Fall 2008	Fall 2009	Fall 2010	Budgeted Fall 2011
Tax Apportionment Values	\$896,003,000	\$899,480,000	\$868,550,000	\$853,813,000
Amount Change from Previous Year	\$30,186,642	\$3,683,395	\$(30,930,000)	\$(14,737,000)
Percent Change from Previous Year	3.44%	0.39%	-3.44%	-1.7%

The 2011-2012 tax base is projected to decrease for the second consecutive year by 1.7% for a total of \$853,813,000. Three years of historical information are shown above. The total tax apportionment values assist in determining the mill rate. As the tax apportionment has decreased, the mill rate increases.

RIVER VALLEY SCHOOL DISTRICT

TAX LEVY & MILL RATE ANALYSIS

Property Tax Levy			
FUND	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
General Fund	\$8,188,509	\$8,177,555	\$7,847,424
Referendum Debt Service Fund	\$784,524	\$770,815	\$750,000
Prior Year Chargeback	\$0	\$0	\$5,000
Community Service Fund	\$40,000	\$40,000	\$50,000
TOTAL SCHOOL LEVY	\$9,013,033	\$8,988,370	\$8,652,424
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YR	15.33%	-.27%	-3.74%

Two years of historical information and the proposed tax levy for next year are shown below..

Projected Mill Rate			
FUND	Audited 2009-2010	Unaudited 2010-2011	Projected 2011-2012
General Fund	\$9.12	\$9.43	\$9.25
Referendum Debt Service Fund	\$0.87	\$0.89	\$0.84
Non-Referendum Debt Service Fund	\$0	\$0	0
Community Service Fund	\$0.04	\$0.05	\$0.06
TOTAL SCHOOL LEVY	\$10.04	\$10.38	\$10.15
PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YR	14.87%	3.29%	-2.21%

Two years of historical information and the projected impact on property values are shown below.

Historical and Projected Impact on Property Value			
Property Value	Audited 2009-2010	Unaudited 2010-2011	Projected 2011-2012
\$100,000	\$1,004	\$1,038.00	\$1,015.00
\$150,000	\$1,506	\$1,557.00	\$1,522.50
\$200,000	\$2,008	\$2,076.00	\$2,030.00
\$250,000	\$2,510	\$2,595.00	\$2,537.50
\$300,000	\$3,012	\$3,114.00	\$3,045.00
\$400,000	\$4,016	\$4,152.00	\$4,060.00

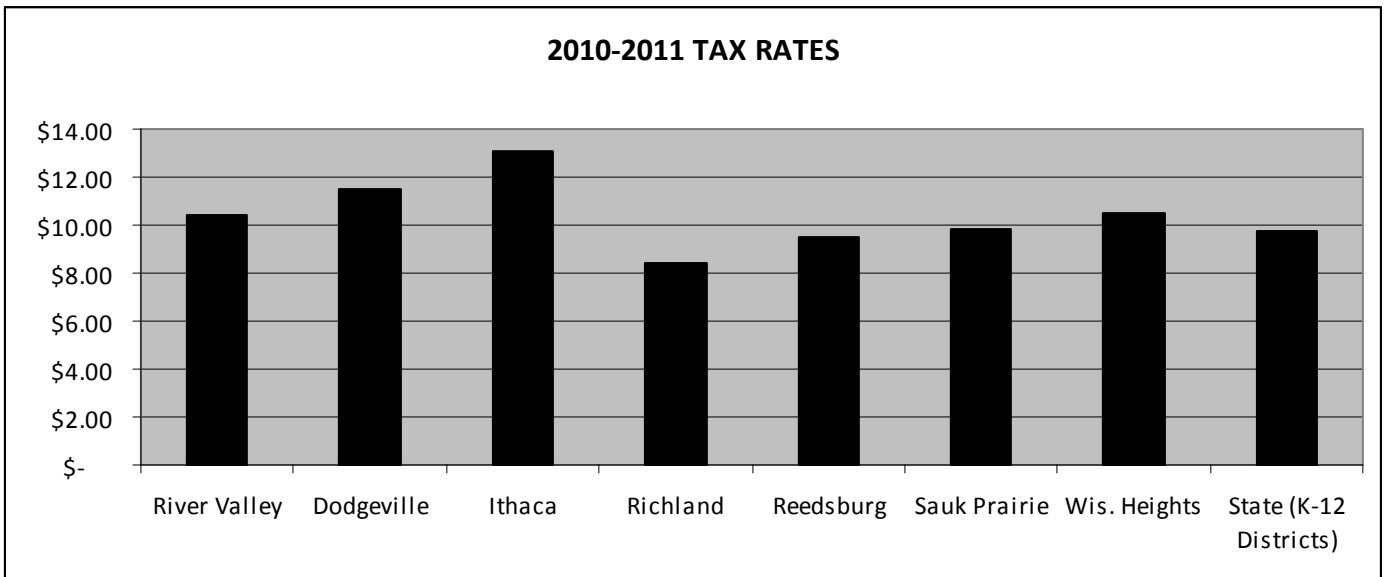
RIVER VALLEY SCHOOL DISTRICT

TAX LEVY/RATE COMPARISON

Data from Wisconsin Department of Public Instruction database.

River Valley's tax rate is 141 out of 424 reported schools.

	River Valley	Dodgeville	Ithaca	Richland	Reedsburg	Sauk Prairie	Wis. Heights	State (K-12 Districts)
Tax Rate	\$ 10.38	\$ 11.51	\$ 13.11	\$ 8.45	\$ 9.49	\$ 9.82	\$ 10.53	\$ 9.76



RIVER VALLEY SCHOOL DISTRICT

FUND 10 – GENERAL FUND

No Sub Funds

Fund Balance

Four years of historical information and the projected fund balance for 2011-2012 are shown below.

	2007-2008	2008-2009	2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Beginning Fund Balance	\$3,490,946	\$3,977,347	\$4,130,578	\$4,327,180	\$4,269,446
Ending Fund Balance	\$3,977,347	\$4,130,578	\$4,327,180	\$4,269,446	\$4,322,091
Fund Balance as % of Total Expenditures	27.3%	27.1%	28.1%	27.1%	28.8%

There are very important reasons for keeping an appropriate fund balance for River Valley School District. An established fund balance will allow the district to provide for adequate cash flow, therefore not having to short-term borrow to cover expenses. In addition, having a healthy fund balance will demonstrate financial stability and therefore enhance the districts bond rating, thereby lowering debt issuance costs. Last, with a healthy fund balance the School District of River Valley can make designated purchases or be able to cover unforeseen costs. These costs include but are not limited to, roof repair, boiler replacement and other possible emergency items.

FUND BALANCE: difference between assets and liabilities.

Assets: Items of value owned by the District, such as checking accounts, investments, receivables, (amounts due such as postponed taxes, funds due from other governments) and prepaid expenses (items paid this year – to be used next year).

Liabilities: Obligations owed by the District, such as payroll payables and related District fringe benefits of employees.

RIVER VALLEY SCHOOL DISTRICT

FUND 10 – GENERAL FUND

The purpose of the general fund 10 is to account for the educational programs and operations of the school district, excluding special education programs. Below is a general breakdown of revenues for fund 10.

RIVER VALLEY SCHOOL DISTRICT			
Fund 10 - General Fund			
Revenue History and Projection			
	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
-			
Revenues			
Local Taxes	\$ 8,176,709	\$ 8,205,555	\$ 7,938,213
Other Local Revenue	\$ 154,255	\$ 109,000	\$ 108,500
WI Inter-District Payments	\$ 145,938	\$ 141,000	\$ 141,000
Other Intermediate Sources	\$ 23,556	\$ 20,000	\$ 20,000
State Categorical Aid	\$ 126,565	\$ 129,835	\$ 127,500
State Equalization Aid	\$ 6,281,438	\$ 6,326,004	\$ 5,674,468
Other State Revenue	\$ 383,943	\$ 367,423	\$ 327,445
Federal Revenue	\$ 286,325	\$ 287,376	\$ 630,157
Other Revenue	\$ 17,215	\$ 92,000	\$ 105,100
Total Revenues	\$ 15,595,944	\$ 15,678,193	\$ 15,072,383

Below is a breakdown of the sources where revenues are received.

Other Local Revenue includes admissions, interest, and student fees.

WI Inter-District Payments are payments received for students open enrolling in our district. The 2011-2012 open enrollment budgets will be adjusted based on actual student attendance in the fall of 2011.

Other Intermediate Sources is transit of state aids received from Sauk County.

State Categorical Aid includes transportation and library (common school fund) aid.

Other State Revenue includes SAGE Aid, Computer Aid, and other special project aid from state.

Federal Revenue includes special project grants such as Title I, and Education Jobs Fund aid. The major increase in this category is due to the \$395,000 received for Education Jobs Fund aid. This is one-time money.

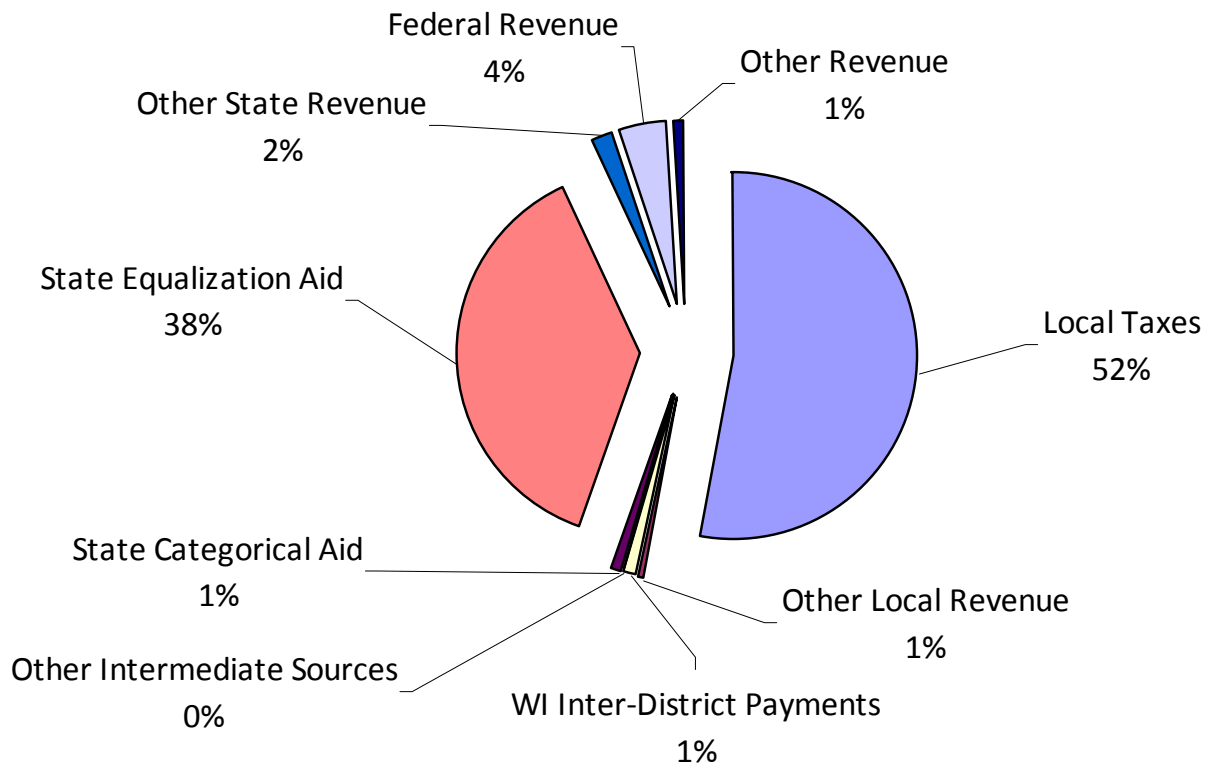
Other Revenue includes Medicaid, refunds and miscellaneous revenue.

RIVER VALLEY SCHOOL DISTRICT

FUND 10 – GENERAL FUND Revenue Breakdown

Below is a graphic breakdown of the Revenue in Fund 10.

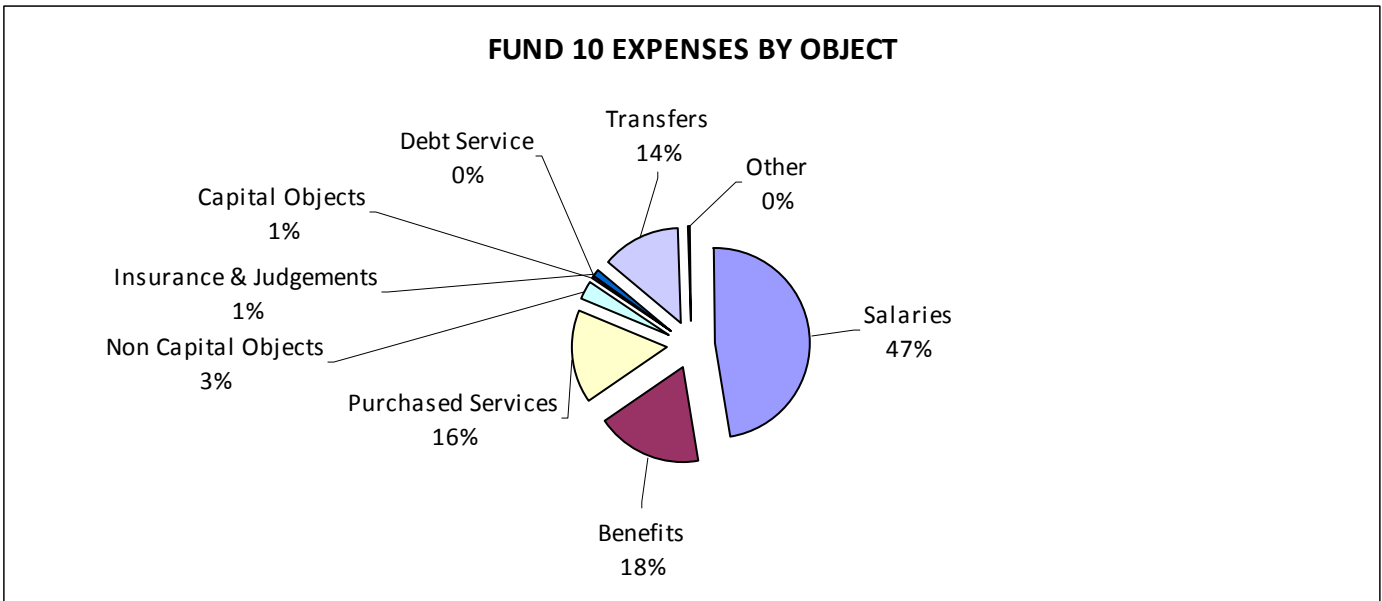
FUND 10 REVENUE



RIVER VALLEY SCHOOL DISTRICT

FUND 10 – GENERAL FUND Expense Breakdown by Object

RIVER VALLEY SCHOOL DISTRICT Fund 10 – General Fund Expense History and Projection			
	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
<u>Expenditures</u>			
Salaries	\$6,489,322	\$6,924,519	\$7,083,963
Benefits	\$3,675,786	\$3,568,735	\$2,703,020
Purchased Services	\$2,371,546	\$2,324,564	\$2,402,928
Non-Capital Objects	\$423,689	\$393,357	\$437,168
Capital Objects	\$162,244	\$102,083	\$107,783
Insurance & Judgement	\$167,708	\$178,500	\$182,750
Transfers	\$2,055,054	\$2,198,333	\$2,049,984
Other	\$53,993	\$45,836	\$53,341
Total Expenditures	\$15,399,342	\$15,735,927	\$15,020,938



Purchased Services includes major items such as: Transportation (\$790,000), Buildings & Grounds Maintenance (\$4), Utilities (\$468,850), Open Enrollment Students Out (\$225,000). **Amounts reflect 2011-2012 budget.**

Transfers include the amounts transferred to Fund 27 (Special Education) and Fund 50 (Food Service) to cover deficits in each fund. Historically, approximately 89% of the Fund 27 transfer is to pay for special education staff salaries and benefits.

RIVER VALLEY SCHOOL DISTRICT

FUND 10 – GENERAL FUND Revenues vs. Expense Breakdown

RIVER VALLEY SCHOOL DISTRICT Fund 10 – General Fund Revenue vs. Expense Breakdown			
	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Total Revenues	\$15,595,944	\$15,678,193	\$15,072,383
Total Expenditures	\$15,399,342	\$15,735,927	\$15,019,739
Revenue-Expense Total	\$196,602	(57,734)	\$52,644

Considerations for Fund 10:

- Decrease of 8.5 FTE Teaching Staff.
- Decrease in 1.6 FTE Support Staff.
- Decrease in Building Budgets.
- Employees contributing 50% of Wisconsin Retirement System (WRS).
- Increased employee contributions to Health Insurance Premiums.

RIVER VALLEY SCHOOL DISTRICT

FUND 21 – SPECIAL REVENUE TRUST FUND

Fund Balance may exist.

The purpose of the Special Revenue Trust Fund 21 is to account for gifts specified by donors to be used for operating purposes.

A donor may be an individual, estate, foundation, non-profit organization, etc inclusive of organizations like booster club and PTO. The donor may or may not restrict the gift to be used for a certain project or program. Fund 21 simplifies the tracking process by allowing a district to track a specific gift by project code when desired.

RIVER VALLEY SCHOOL DISTRICT			
Fund 21 – SPECIAL REVENUE TRUST FUND			
Revenues and Expenses			
	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Total Revenues	\$13,556	\$17,000	\$17,000
Total Expenditures	\$21,640	\$17,000	\$17,000
Revenue-Expense Total	\$(8,084)	\$0	\$0
Beginning Fund Balance	\$55,056	\$46,972	\$46,972
Ending Fund Balance	\$46,972	\$46,972	\$46,972

RIVER VALLEY SCHOOL DISTRICT

FUND 27 – SPECIAL EDUCATION

No Fund Balance or deficit can exist

The purpose of the special education Fund 27 is to account for all of the special education programs and operations in the school district.

According to the state of Wisconsin, the amount of time an employee spends with special education students may be separated and classified into Fund 27. Using historical numbers and contacts at the Department of Public Instruction, I believe that the state will aid our special education expenses at 27% for the 2011-2012 school year.

Some staff members work with special education students, but not for the entire school day. The Wisconsin Department of Public Instruction has established the percentage of salaries of licensed school nurses, licensed school social workers, licensed school psychologists, and licensed school counselors that are eligible for state special education categorical aid reimbursement. http://www.dpi.state.wi.us/sfs/doc/WiscAct221_Districts.doc

- School Psychologist 84%
- Social Worker 59%
- School Nurse 29%
- Guidance Counselors 10%

RIVER VALLEY SCHOOL DISTRICT Budget Summary – Fund 27 Revenues			
Revenues	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Operating Transfers-In	\$2,018,751	\$2,194,264	\$2,041,005
Intermediate Sources	\$0	\$3,020	\$3,020
State Sources	\$800,200	\$800,000	\$726,533
Federal Sources	\$641,528	\$464,882	\$357,087
Total Revenues	\$3,463,499	\$3,462,166	\$3,147,645

RIVER VALLEY SCHOOL DISTRICT Budget Summary – Fund 27 Expenses			
Expenses	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Salary and Benefits	\$2,970,081	\$3,152,085	\$2,823,686
Other Objects	\$307,772	\$310,081	\$323,959
Total Expenses	\$3,463,499	\$3,462,166	\$3,147,645

RIVER VALLEY SCHOOL DISTRICT

FUND 39 – REFERENDUM DEBT

Fund Balance may exist

The purpose of the debt service fund 39 is to repay prior debts borrowed with the authority of an approved referendum.

The River Valley School District currently has one piece of fund 39 debt, termed as “2005 Refunding Bonds.” The only existing debt is termed 2005 Refunding Bonds, because of refinancing that was done during that year on the District’s 1998 General Obligation School Building Bonds. The 1998 referendum was approved during February of that year to add to and remodel the High School.

RIVER VALLEY SCHOOL DISTRICT Fund 39 Referendum Debt			
Fund 39 Debt	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Principal	\$620,000	\$630,000	\$410,000
Interest	\$176,373	\$152,675	128,955
Total Expenses	\$796,373	\$782,675	\$538,955

Below is the Fund 39 tax levy and the amount that was levied at the annual meeting to pay for the referendum approved debt.

RIVER VALLEY SCHOOL DISTRICT Fund 39 Tax Levy			
Fund 39 Debt	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Total Expenses	\$796,373	\$782,675	\$538,955
Levy	\$784,531	\$770,675	\$750,000
Beginning Fund Balance	\$88,826	\$76,984	\$65,124
Ending Fund Balance	\$76,984	\$65,124	\$276,169

In March 2011, the district made the last principal and interest payment on the 2001 Refunding Bonds. The 2001 Refunding Bonds were a refinancing of the 1988 General Building Bonds and 1992 Refunded Bonds. For next years budget, I believe it would be beneficial to the district to keep the levy in fund 39 at the same amount and consistent with where it has been for the past few years.

In addition, the 2005 bond that is outstanding will be subject to redemption prior to maturity and callable beginning on March 1, 2015. By accumulating a fund balance in Fund 39 we will have the ability to pay off this debt at an earlier date, and save money on interest payments.

The board will have a decision on whether to levy only the amount needed to make payments on the current debt or to levy at the historical rate to accumulate a fund balance.

Debt Service payment schedule is shown on the following page.

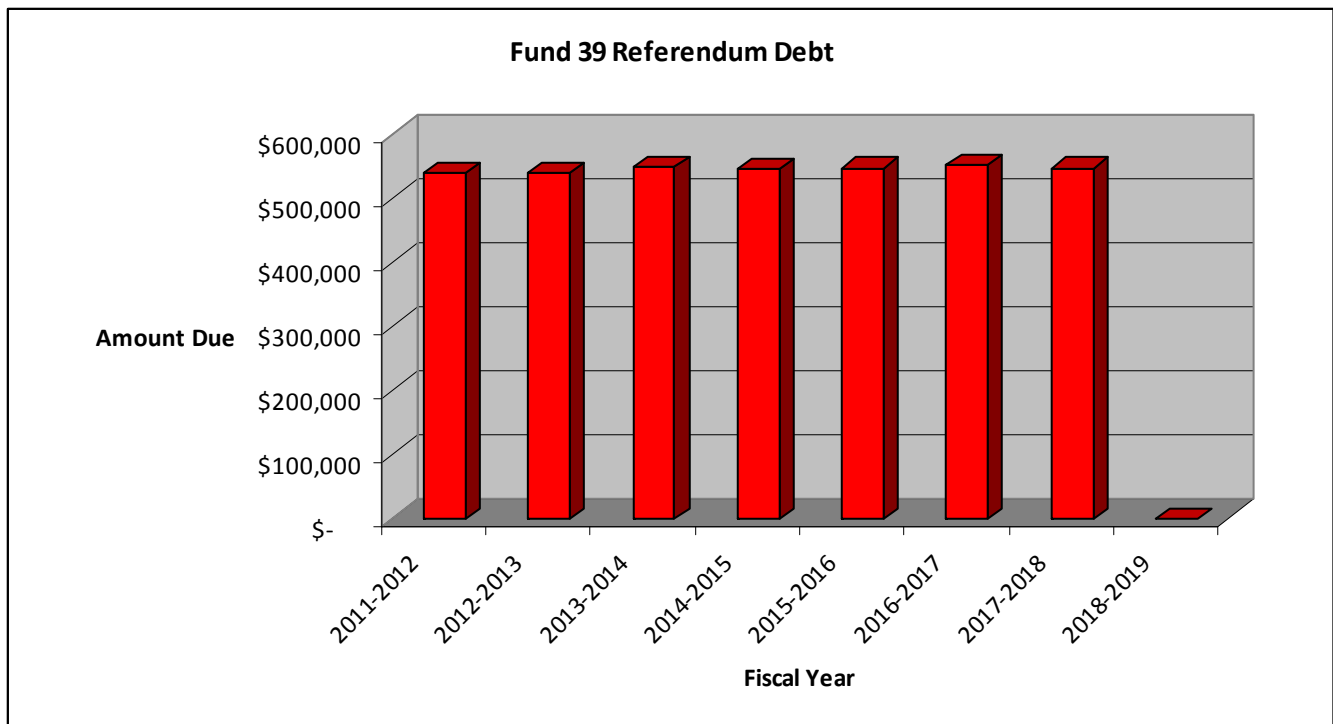
RIVER VALLEY SCHOOL DISTRICT

FUND 39 – REFERENDUM DEBT

The following graph and table reflect the future tax levies in this fund.

Fund 39 Referendum Debt

<u>Fiscal Year</u>	<u>Amount Due</u>
2011-2012	\$ 538,955
2012-2013	\$ 539,400
2013-2014	\$ 547,400
2014-2015	\$ 544,400
2015-2016	\$ 545,800
2016-2017	\$ 551,400
2017-2018	\$ 546,000
2018-2019	\$ 0



RIVER VALLEY SCHOOL DISTRICT

FUND 50 – FOOD SERVICE

Fund Balance may exist. No deficit is permitted

The purpose of the food service fund 50 is to account for the food service program. The food service director, Cindy Eby has been working very hard to make this program ‘stand alone’ and not run at a deficit. The projected deficit in 2010-2011 is only \$4,069. The increase of fuel costs over the past few months has had an impact on food costs, but we are hopeful that this fund will be very close to the estimated/budgeted deficit of \$4,069.

The projection for 2011-2012 shows a near balanced budget in Fund 50. The operating transfer in is negative, which means that the program would not need any money from Fund 10 to cover a deficit.

RIVER VALLEY SCHOOL DISTRICT Fund 50 – Food Service Revenue History and Projection			
Revenues	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Operating Transfer In	\$36,303	\$4,069	\$8,979
Pupil Breakfast	\$1,432	\$2,000	\$13,000
Pupil Lunches	\$362,289	\$375,000	\$220,000
Pupil Milk	\$131	\$200	\$15,000
Pupil a la Carte	\$16,405	\$17,000	\$118,000
Adult Lunches	\$324	\$400	\$500
Catering	\$2,014	\$2,000	\$4,700
Total Food Sales	\$382,595	\$396,600	\$371,500
Other Local	\$425	\$500	\$500
State Sources (Food Service Aid)	\$12,507	\$13,240	\$13,300
Fresh Fruit & Veggie Grant	\$0	\$4,000	\$4,250
Federal Sources (Food Service Aid)	\$223,809	\$223,350	\$231,000
Total Revenues	\$655,639	\$641,759	\$629,229

RIVER VALLEY SCHOOL DISTRICT Fund 50 – Food Service Expense History and Projection			
Expenses	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Salaries & Benefits	\$329,308	\$310,259	\$280,730
Other	\$326,331	\$331,500	\$348,499
Total Expenses	\$655,639	\$641,759	\$629,229

RIVER VALLEY SCHOOL DISTRICT

FUND 80 – Community Service Fund

The purpose of Fund 80 is used to account for activities and programs in the community outside of the district's regular and extracurricular programs for all pupils in the River Valley School District community. Access to community service programs and funds cannot be limited to pupils enrolled in the district's K-12 educational programs.

Our community service fund tax levy covers the custodial staff costs for community wide events that take place on district property.

Fund 80 – River Valley School District			
	Audited 2009-2010	Unaudited 2010-2011	Budgeted 2011-2012
Revenues			
Property Taxes	\$40,000	\$40,000	\$50,000
Expenses			
Custodial Staff Costs	\$40,000	\$40,000	\$50,000

I have proposed a slight increase to the community service fund for the 2011-2012 school year. This increase has been made to ensure that all costs associated with community events are covered.

This increase of \$10,000 has an impact of \$0.01 on the total mill rate.

RIVER VALLEY SCHOOL DISTRICT

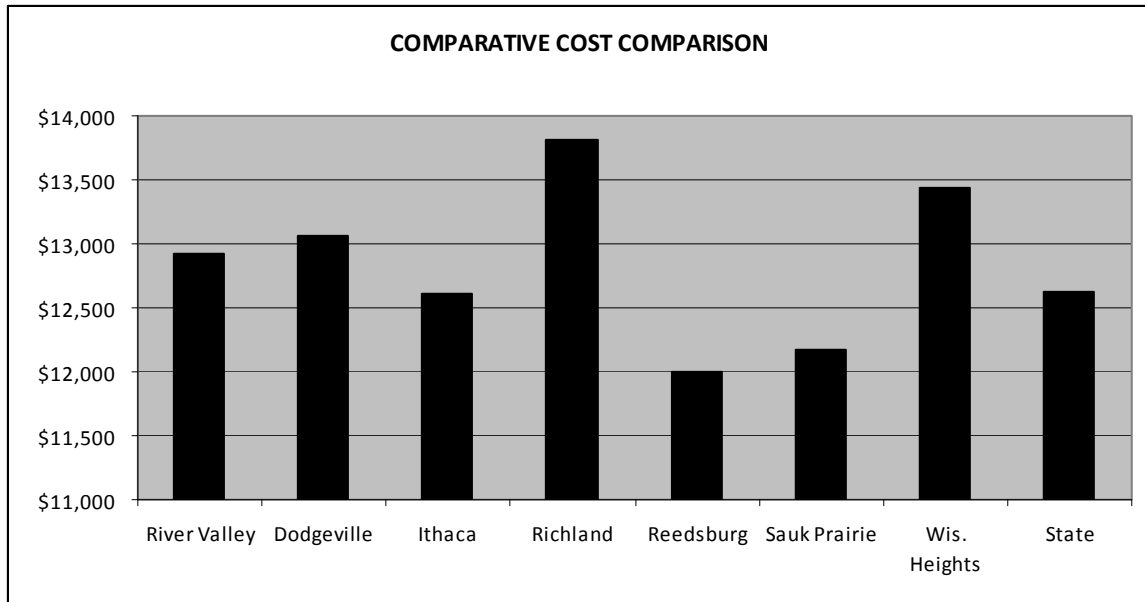
COMPARATIVE COST COMPARISON

The River Valley School District spent \$12,920 per member (student) during the 2009-2010 school year. This information is from the Wisconsin Department of Public Instruction (DPI) database. The most current, audited information is from 2009-2010.

Below, is a table and chart showing the comparison to surrounding school districts.

River Valley was 160 out of 425 reported schools.

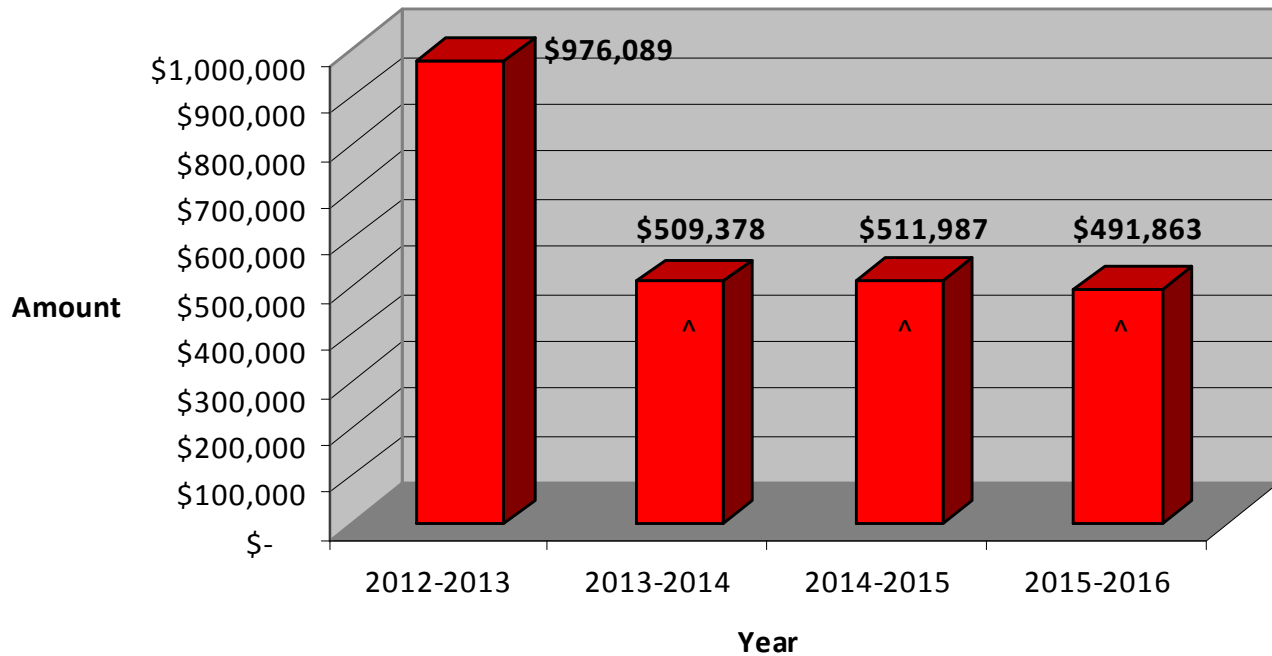
	River Valley	Dodgeville	Ithaca	Richland	Reedsburg	Sauk Prairie	Wis. Heights	State
Total District Per Member Cost	\$ 12,920	\$ 13,060	\$ 12,609	\$ 13,808	\$ 11,997	\$ 12,168	\$ 13,433	\$ 12,624



RIVER VALLEY SCHOOL DISTRICT

FINANCIAL FORECAST

River Valley School District - Projected Annual Deficit



*2012-2013 assumes state aid per pupil increase of \$0 (per State Biennial Budget)

^ 2013-2014 through 2015-2016 assumes state aid per pupil increase of \$200 (per DPI)

In today's education climate it is very difficult to forecast a district's financial future. The amount of state aid our district will receive in the future has become more unpredictable than in the past. This financial forecast assumes what our district knows now – and makes our best assumptions at what could happen in the future in education.

RIVER VALLEY SCHOOL DISTRICT

NEXT STEPS WITH 2011-2012 BUDGET

Tonight community will vote on proposed tax rate/levy.

The School Board must modify the budget based on:

- September Enrollment Count
- Final District Property Values
- Final District Revenue Cap Amount

Once the above values are calculated, the school board must set the tax levy and adopt the budget on or before November 1st. Once adopted, the district must certify the tax levy to the municipalities on or before November 6th.

Any budget changes and/or amendments in amounts of appropriation and the purpose (function) for which they are used after setting the levy must be approved by a two-thirds vote of the school board. In addition, the district must publish a class one notice of the budget change/amendment within 10 days of approval.