



PMATM
SECURITIES

River Valley School District Financial Data and Projections

Board Workshop

Erik Kass

Director, Public Finance
PMA Securities, LLC.

August 14, 2023

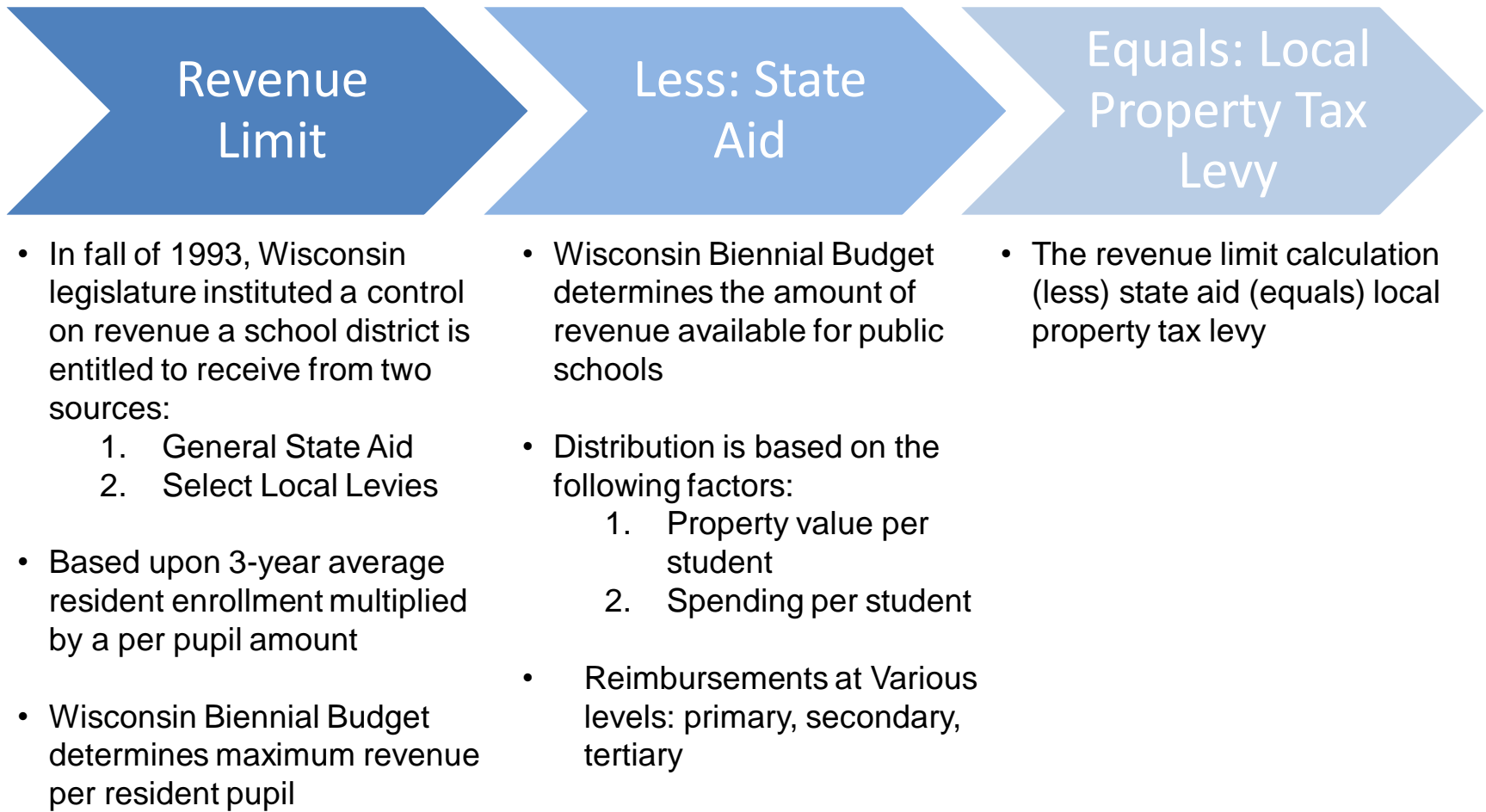


Agenda

- ▶ Basics of Wisconsin School Finance
- ▶ Surrounding Area Mill Rate Comparison
- ▶ History of River Valley Mill Rate
- ▶ Operational vs. Capital Referendum
- ▶ Options for Mill Rate Impact
 - ▶ Isolate Debt Mill Rate
 - ▶ All Inclusive Mill Rate

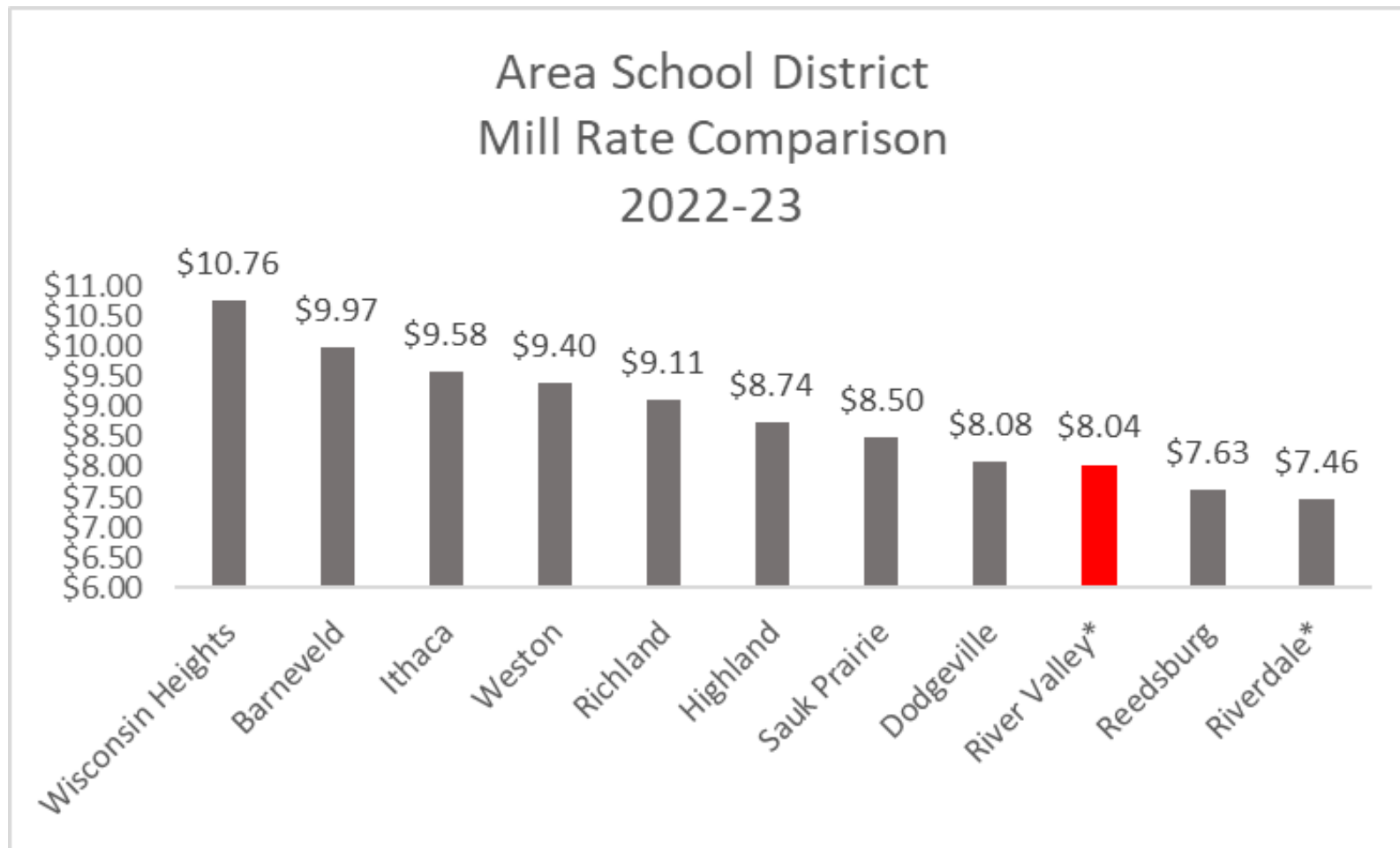


Basics of Wisconsin School Finance





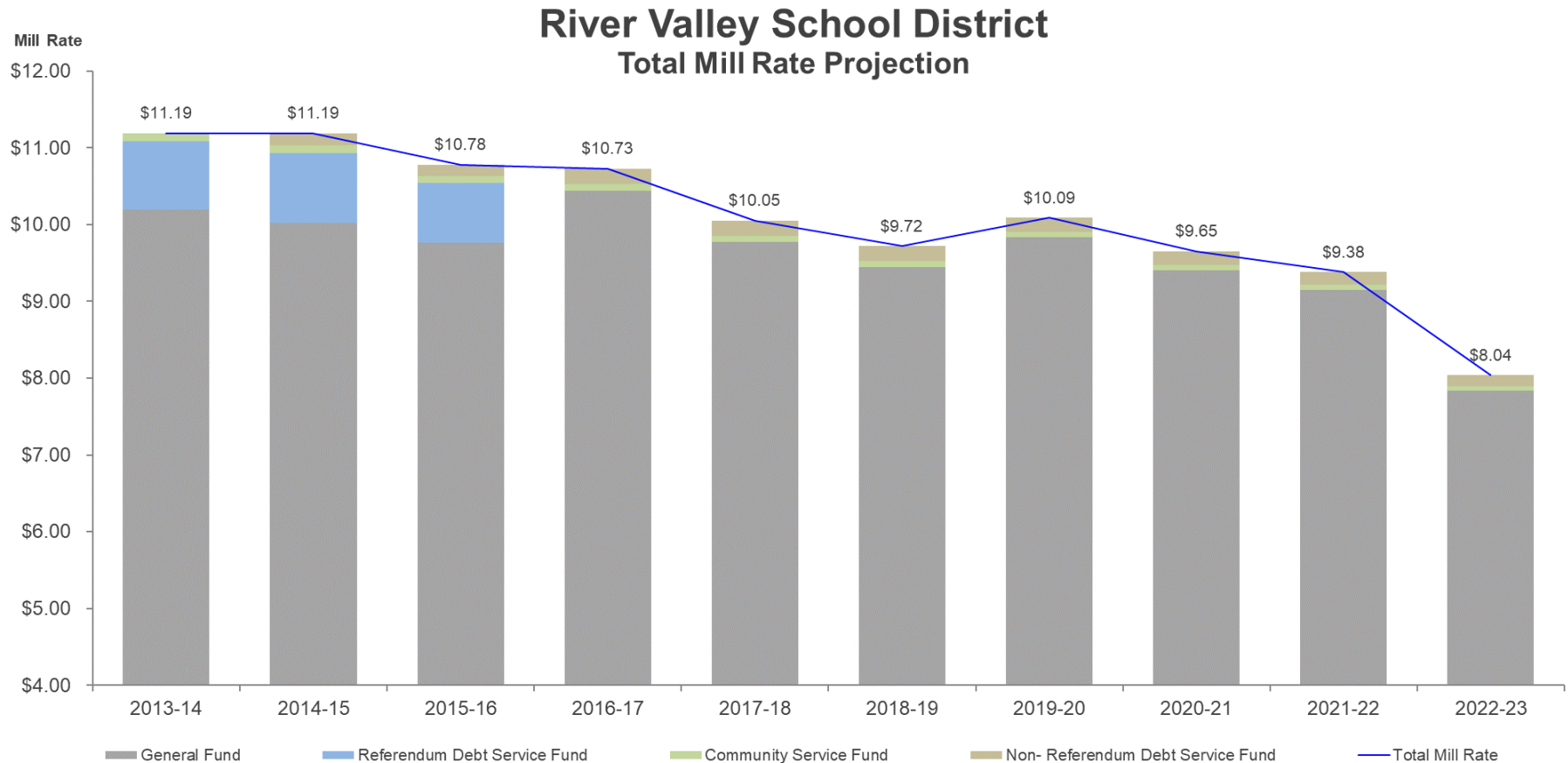
Surrounding Area Mill Rate Comparison



*Denotes a District that does not have existing referendum approved debt as part of the property tax levy



History of River Valley SD Mill Rate





Basics of Wisconsin School Finance

State law allows additional revenue authority above the allowable revenue maximum through exemptions. The two most popular approaches are through referendum.

Operational Referendum

- A school district may ask voters to exceed the allowable maximum revenue through a voter approved referendum to support operational expenses
 - Recurring Referendum – never stops
 - Non-Recurring Referendum – exists for a defined period of time

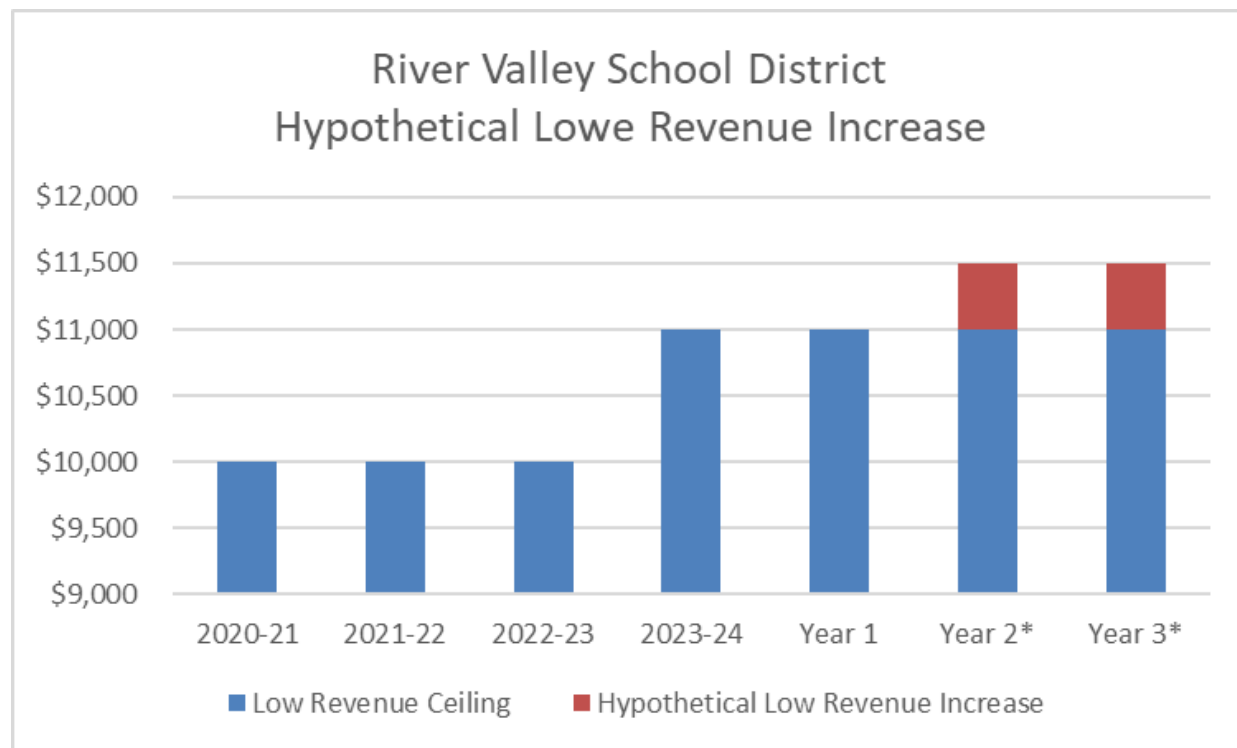
Capital Referendum

- A school district may ask voters to exceed the allowable maximum revenue through a voter approved referendum to support capital expenses
 - Allows the district to borrow funds immediately and pay back over time
 - Alleviates the tax burden of a long term capital asset over a longer period of time



Impact of Failed Operational Referendum

- ▶ Currently under Wisconsin State Law, any School District that has failed an Operational Referendum does not receive any benefit from increases to the Low Revenue Ceiling for a period of 3 years.



**Hypothetical example of low revenue ceiling increase in 2025-27 biennial budget*



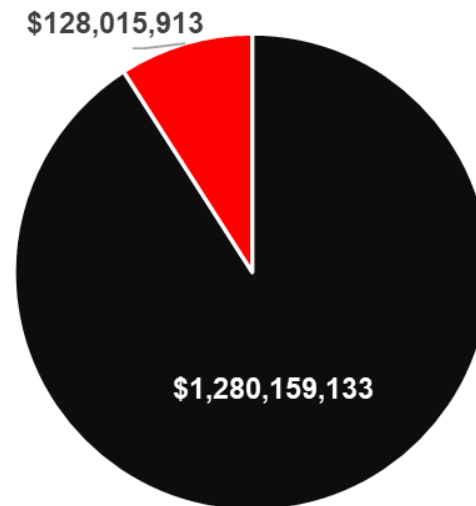
Debt Capacity

▶ A Public School District may have outstanding debt less than or equal to 10% of their equalized values at any point in time.

- ▶ For the River Valley School District that would be \$128,015,913 as of November 1, 2022

▶ As of June 30, 2023 the River Valley School District has \$593,672 outstanding long term debt obligations with the State Trust Fund, allowing for up to \$127,422,241 of additional debt

River Valley School District
Allowable Debt Capacity



■ Fall 2022 TIDIN Equalized Values ■ 10% Debt Capacity



Options for Mill Rate Impact to Consider

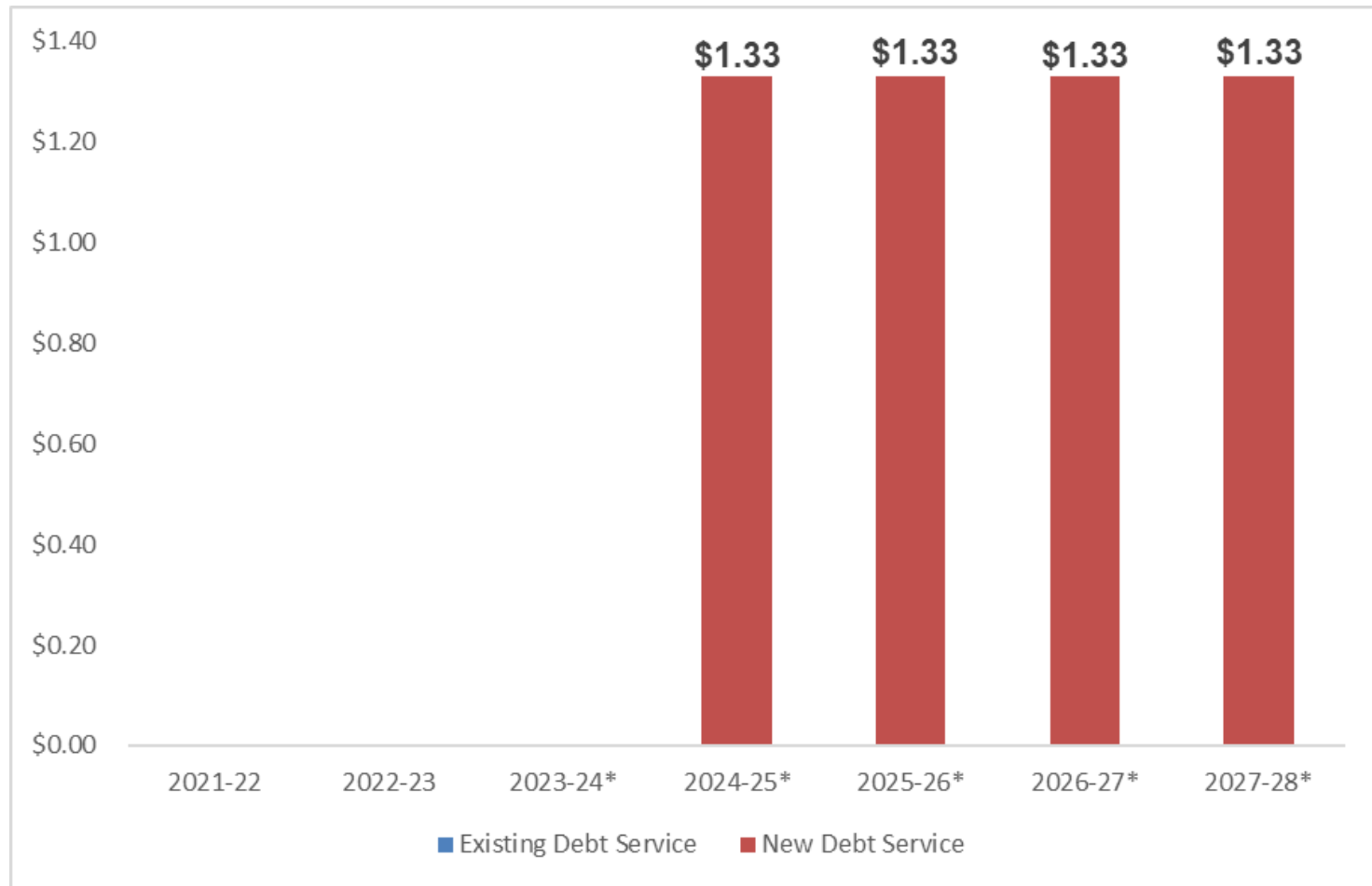
- ▶ There are two common approaches to projecting the Mill Rate Impact for a referendum
 1. Isolate the levy for existing debt (in this case \$0) and use that as the base to project future impacts
 2. Project the overall mill rate to include the general fund levy to

The following examples assume a \$20 million capital referendum and 0% property value increase



Isolated Mill Rate Projection

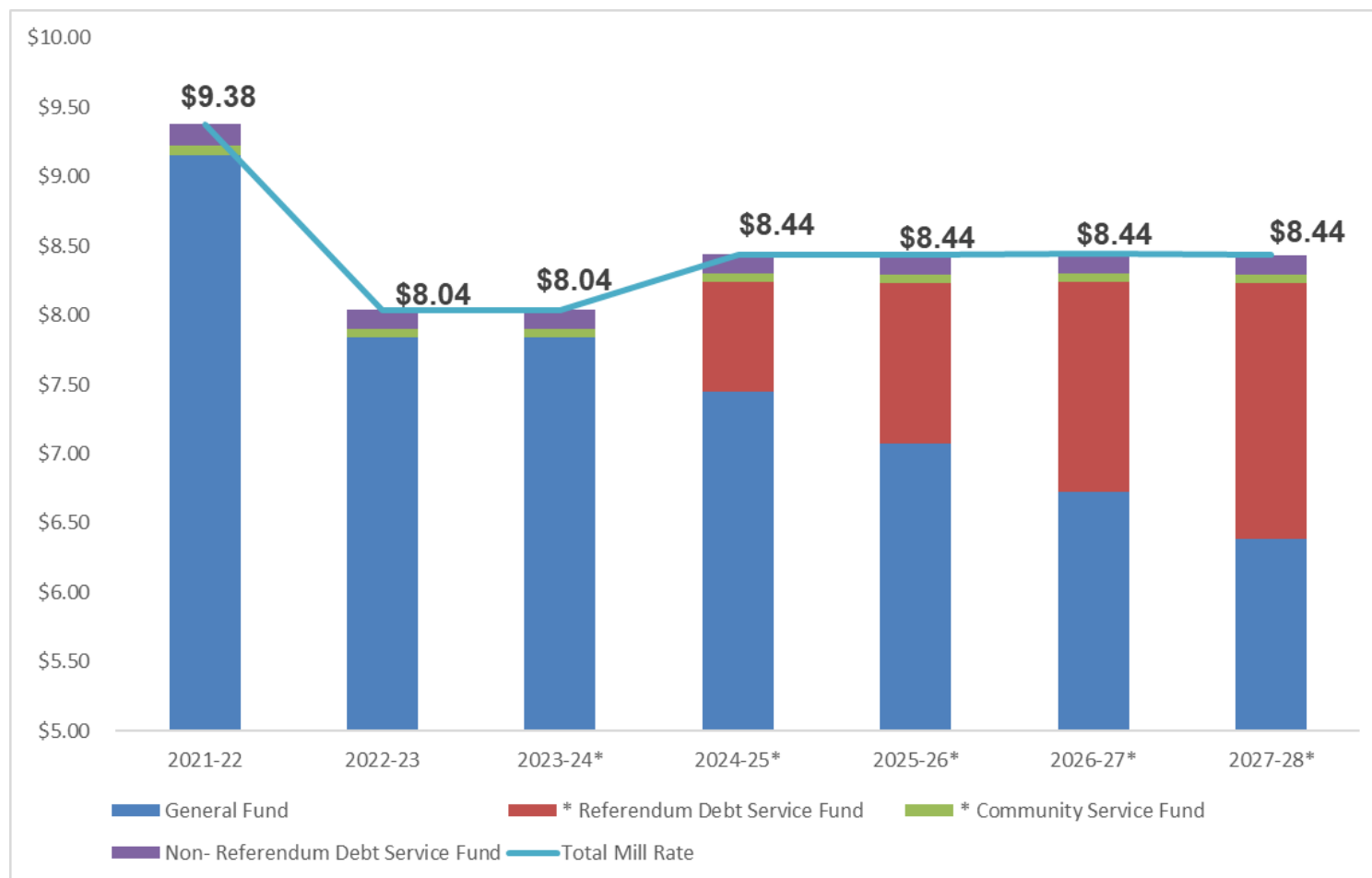
The Illustration below assumes an example \$20 million capital referendum





Inclusive Mill Rate Projection

The Illustration below assumes an example \$20 million capital referendum



*Future years are projected assuming a reduction in general fund mill rate of 5% per year and are for illustration purposes only



Disclosure

The information contained herein is solely intended to suggest/discuss potentially applicable financing applications and is not intended to be a specific buy/sell recommendation, nor is it an official confirmation of terms. Any terms discussed herein are preliminary until confirmed in a definitive written agreement.

The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive. The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any options expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

You should consider certain economic risks (and other legal, tax, and accounting consequences) prior to entering into any type of transaction with PMA Securities, LLC or PMA Financial Network, LLC. It is imperative that any prospective client perform its own research and due diligence, independent of us or our affiliates, to determine suitability of the proposed transaction with respect to the aforementioned potential economic risks and legal, tax, and accounting consequences. Our analyses are not and do not purport to be appraisals of the assets, or business of the Issuer or any other entity. PMA makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax, or accounting effects of consummating a transaction. PMA cannot be relied upon to provide legal, tax, or accounting advice. You should seek out independent and qualified legal, tax, and accounting advice from outside sources. This information has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined.

Securities, public finance and institutional brokerage services are offered through PMA Securities, LLC. PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. PMA Asset Management, LLC, an SEC registered investment adviser, provides investment advisory services to local government investment pools. All other products and services are provided by PMA Financial Network, LLC. PMA Financial Network, LLC, PMA Securities, LLC, and PMA Asset Management, LLC (collectively "PMA") are under common ownership. Securities and public finance services offered through PMA Securities, LLC are available in CA, CO, FL, IL, IN, IA, MI, MN, MO, NE, NY, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes only and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may not be suitable for every investor. For more information, please visit us at www.pmanetwork.com. For institutional use only.