



RACINE UNIFIED
SCHOOL DISTRICT

INTERIM BUDGET 2009-10 Public Hearing

David Hazen, Chief Financial Officer
August 17, 2009



Interim Budget Purpose

- Used to open the next fiscal year 2009-10
- Sets preliminary budget goals
- Serves as a basis for Cash Flow Borrowing
- Budget used for public hearing

Issues Prompting Interim Budget

- Unsure of September enrollment & impact on staffing
- Many fiscal issues are unknown (e.g. state aid, federal grants, revenue limit, equalized values)
- Greater detail on initiatives closer to start of school year



Budget Assumptions / Highlights

- \$4.4 million in efficiencies required to balance budget
- Operating in Revenue Limit Hold Harmless status caused by decreasing enrollment
- Property values increase 0%
- Receive \$4.4 million of Title I-A stimulus and use \$2.7 million in IDEA ARRA flow through funds
- Funding for Data Warehouse
- \$1.1 million for Special Education Inclusion
- Transportation budget savings of \$1.5 million from scheduling change
- State aid increase reduced (7/30/09 actual state aid reduction announced)
- District qualifies for high poverty state aid



Addressing the Shortfall

Assumed Budget Shortfall

Forecasted Shortfall	\$2,400,000
Additional Shortfall Due to State Action	<u>1,775,500</u>
Total Estimated Shortfall to Address	4,175,500

Interim Budget Savings Included

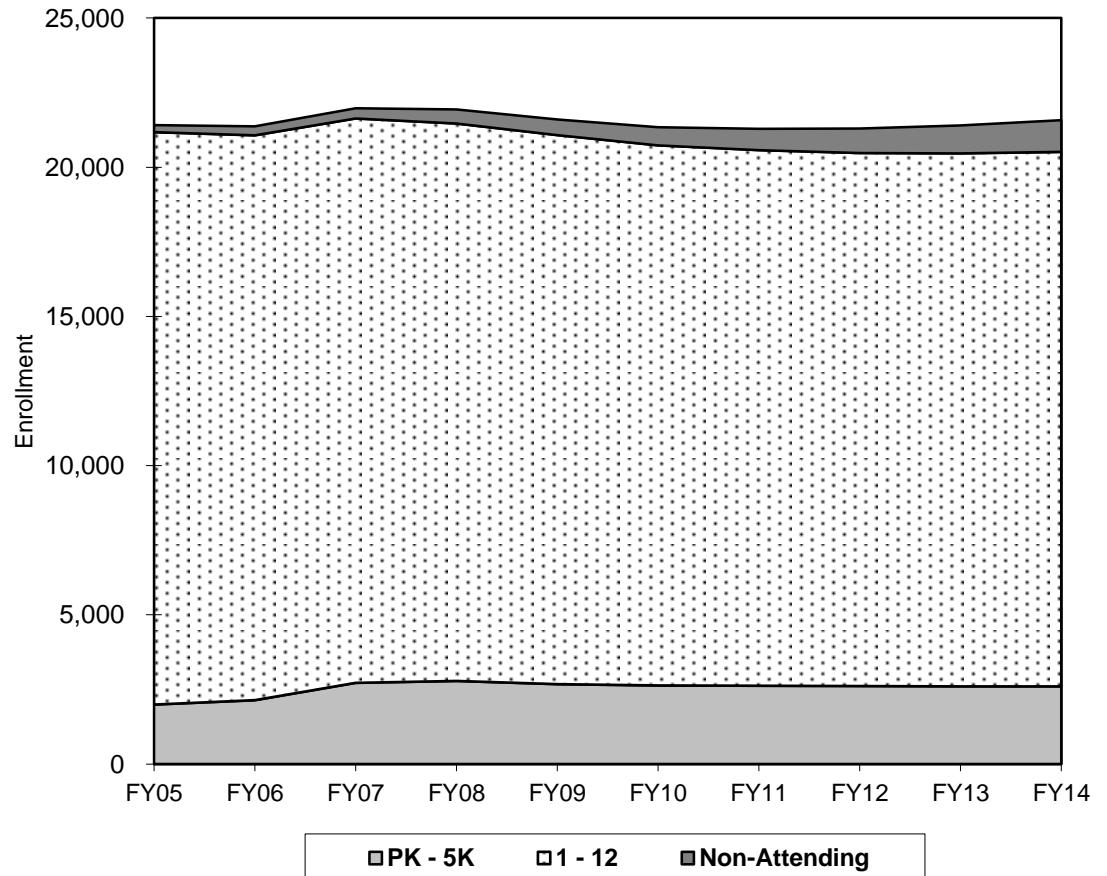
IDEA ARRA Stimulus Funds	\$1,553,353	37.2%
Additional Transportation Savings	734,000	17.6%
Staffing and other adjustments	1,574,672	37.7%
Utilities savings - Closed Swimming Pools	213,475	5.1%
Food Service Cover Maintenance Costs	100,000	2.4%



Enrollment

- Enrollment lower by 343
- Pattern of declining enrollment in grades 1-12
- Kindergarten enrollment flattening out
- Increasing number of students leaving district through open enrollment

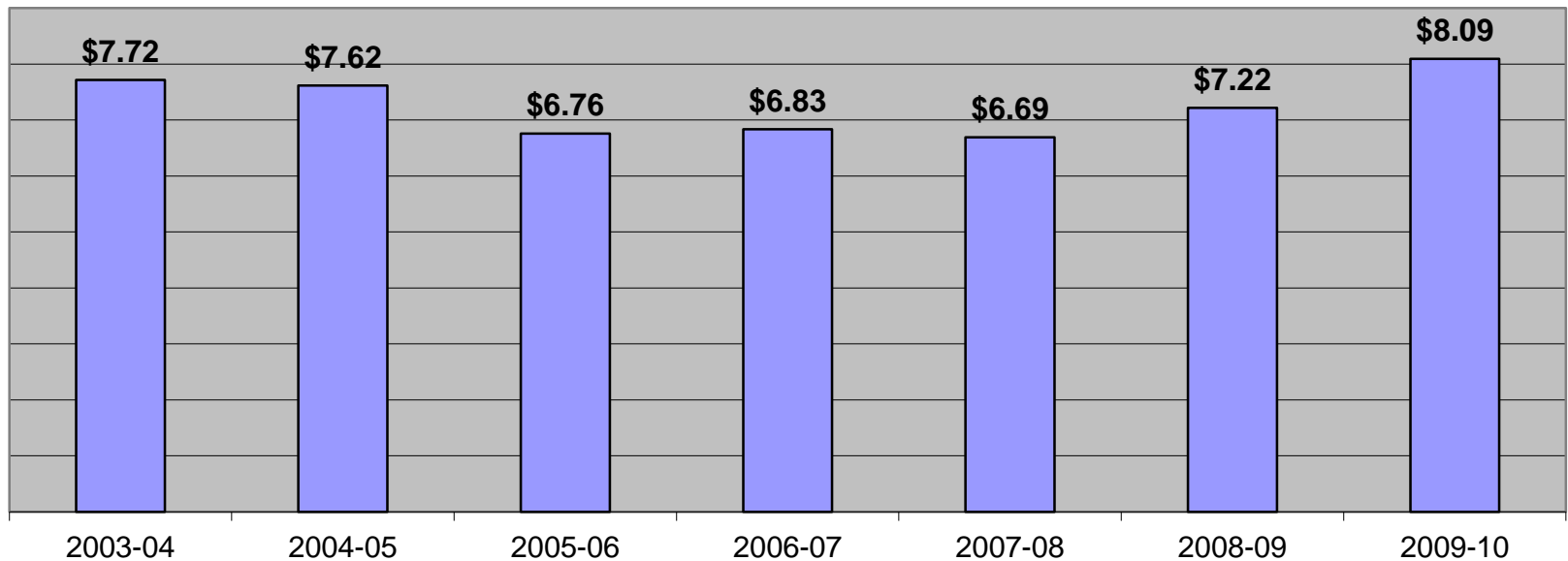
**RUSD Historical and Projected Enrollment
(2004-05 to 2013-14)**

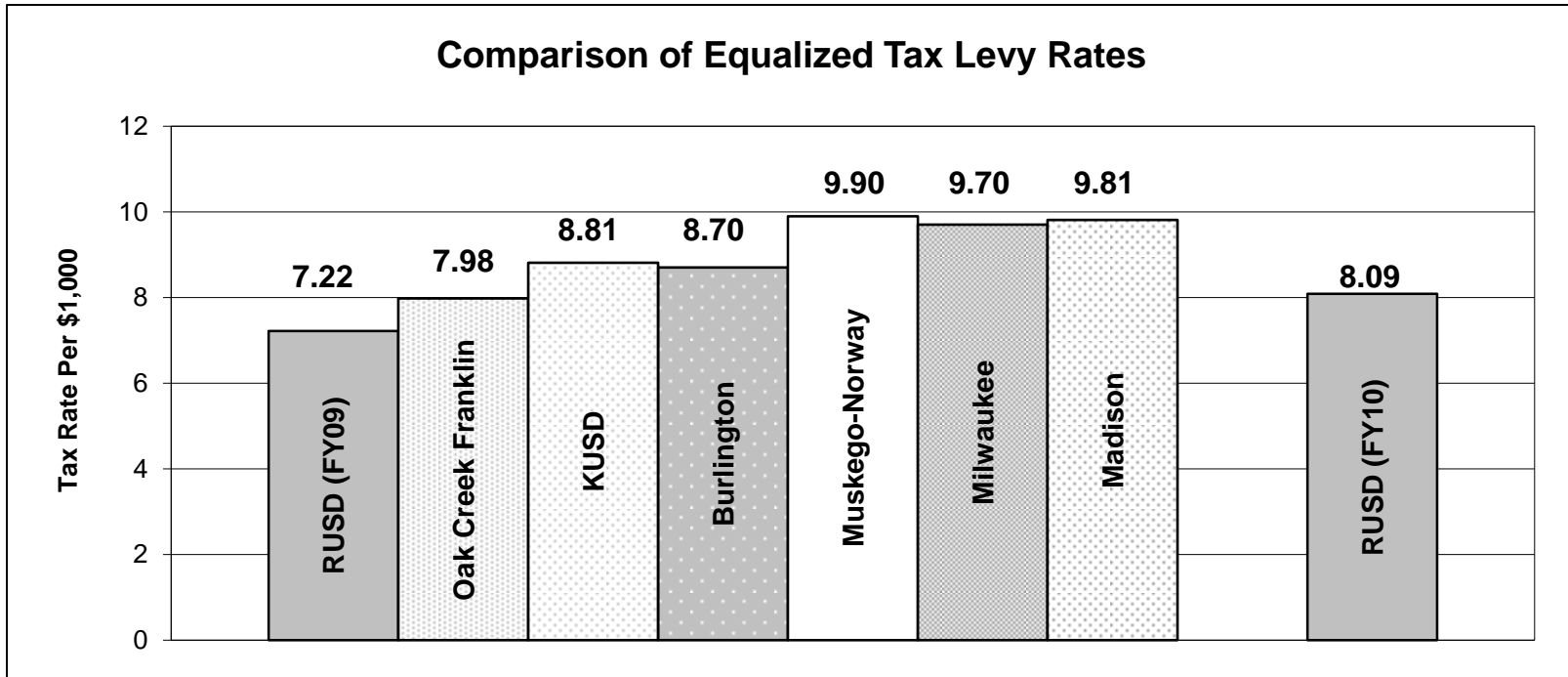




Tax Levy

**RUSD Tax Rate Per \$1,000 of Equalized Property Value
(2003-04 to 2009-10)**

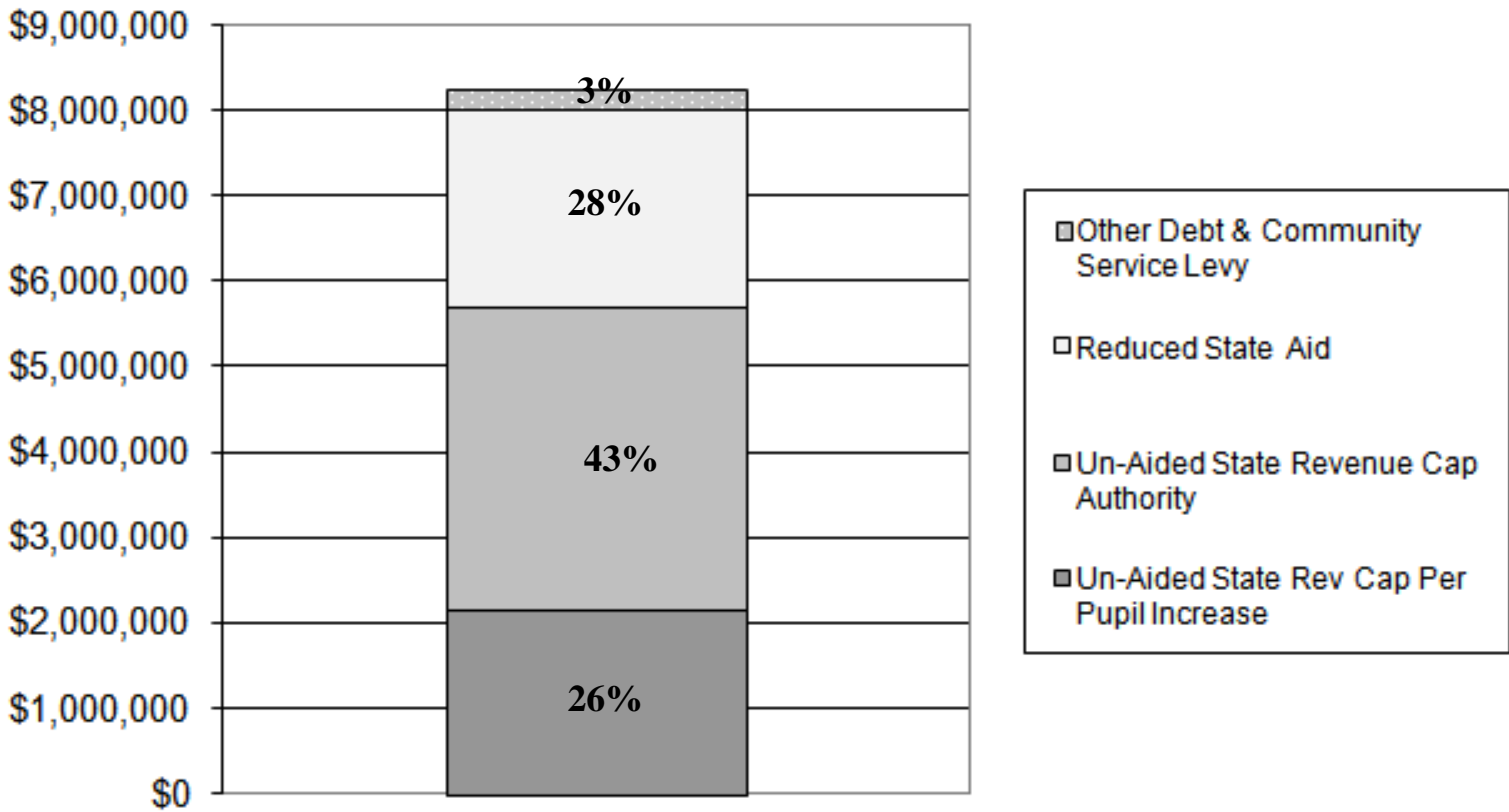




State Average = \$8.61 for K-12 Districts



Components of FY10 Property Tax Levy Increase





All Funds

Revenues by Source

Revenues by Source	2007-08	2008-09	2009-10	Change		NOTES	2009-10	Change	
	ACTUAL	BUDGET	INTERIM	Amount	Percent		INT-REVISED	Amount	Percent
Property Taxes	\$63,836,219	\$70,101,213	\$71,589,851	\$1,488,638	2.12%	1	\$78,570,872	\$8,469,659	12.08%
Local & intermediate sources	4,925,512	5,639,467	3,979,732	(\$1,659,735)	-29.43%	2	3,979,732	(\$1,659,735)	-29.43%
State Sources	150,869,159	156,637,717	161,250,816	\$4,613,098	2.95%	3	154,269,795	(\$2,367,923)	-1.51%
Federal Sources	20,162,391	23,822,081	30,079,487	\$6,257,406	26.27%	4	30,079,487	\$6,257,406	26.27%
Other Sources	1,074,874	813,099	814,613	\$1,514	0.19%		814,613	\$1,514	0.19%
Total Revenues	240,868,154	257,013,576	267,714,498	\$10,700,922	4.16%		267,714,498	\$10,700,922	4.16%



All Funds

Expenditures - Instruction

Expenditures by Function	2006-07	2007-08	2008-09	2009-10	Change		NOTES
	ACTUAL	ACTUAL	BUDGET	INTERIM	Amount	Percent	
Instruction							
Regular Instruction	90,667,297	94,218,066	102,701,422	103,061,846	\$360,424	0.35%	5
Vocational Instruction	4,956,653	4,559,097	4,826,811	4,814,228	(\$12,583)	-0.26%	
Special Instruction	38,848,706	37,132,195	38,646,073	41,492,899	\$2,846,826	7.37%	6
Other Instruction	6,358,967	6,482,437	6,736,381	6,586,113	(\$150,268)	-2.23%	7
Total Instruction	140,831,622	142,391,794	152,910,687	155,955,086	\$3,044,399	1.99%	



All Funds

Expenditures – Support Services

	2006-07	2007-08	2008-09	2009-10	Change		NOTES
	ACTUAL	ACTUAL	BUDGET	INTERIM	Amount	Percent	
Support Service							
Pupil Services	11,658,786	12,611,185	13,673,797	14,347,756	\$673,959	4.93%	8
Libraries & Instructional Support	8,727,994	10,526,031	12,374,357	13,945,164	\$1,570,807	12.69%	9
General administration	2,080,762	2,020,269	1,714,938	2,074,568	\$359,630	20.97%	10
Building administration	11,659,689	11,148,614	10,879,412	10,726,158	(\$153,254)	-1.41%	
Business & operations	34,805,095	35,523,146	40,717,334	40,145,482	(\$571,852)	-1.40%	11
Central services	5,336,019	6,136,789	7,373,801	8,312,543	\$938,742	12.73%	12
Insurance	648,777	1,405,903	629,601	924,340	\$294,739	46.81%	13
Debt payments	6,181,858	8,992,531	5,250,943	6,594,699	\$1,343,756	25.59%	14
Other support services	502,062	336,454	551,932	367,224	(\$184,708)	-33.47%	
Food service	6,315,819	6,829,053	7,890,826	7,058,476	(\$832,350)	-10.55%	15
Community service	333,471	635,064	1,017,291	1,149,498	\$132,207	13.00%	16
Total Support Services	88,250,331	96,165,038	102,074,232	105,645,908	\$3,571,676	3.50%	
Non-program transactions	3,250,196	4,283,305	4,816,986	5,404,728	\$587,742	12.20%	17



All Funds

Other Financing Sources & Fund Balance

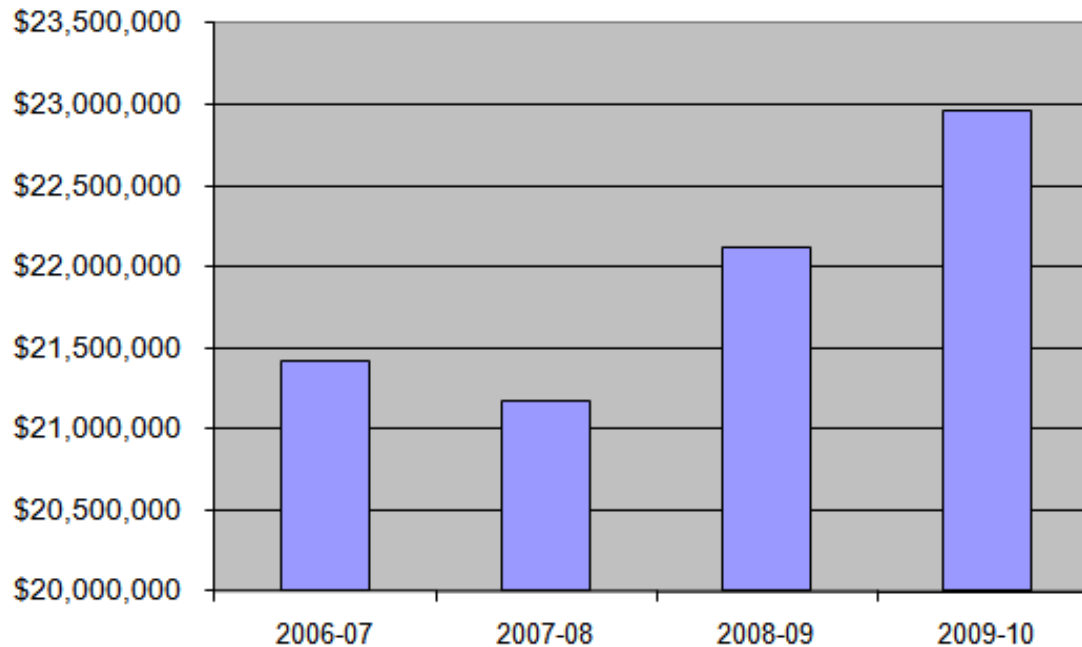
	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	Change Amount	Percent	NOTES
Excess (deficiency) of Revenues over Expenditures	2,152,825	(1,971,983)	(2,788,330)	708,776	\$3,497,106		
Other financing sources (uses)	2,800,000	1,728,000	2,086,481	132,862	(\$1,953,619)	-93.63%	18
Net change in fund balance	4,952,826	(243,983)	(701,849)	841,638	\$1,543,487		
Fund Balance Beginning of Year	16,467,666	21,420,491	21,176,508	20,474,660	(\$701,849)	-3.31%	
Fund Balance End of Year	\$21,420,491	\$21,176,508	\$20,474,660	\$21,316,298	\$841,638	4.11%	



All Funds

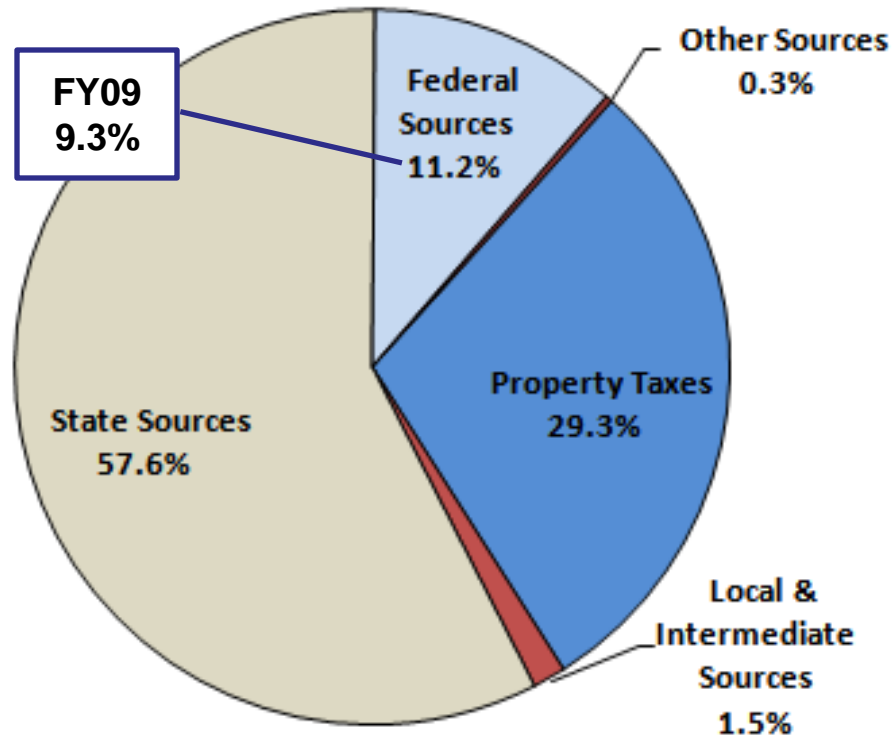
Fund Balance

RUSD FY10 Change in Fund Balance
(All Funds - Restated)



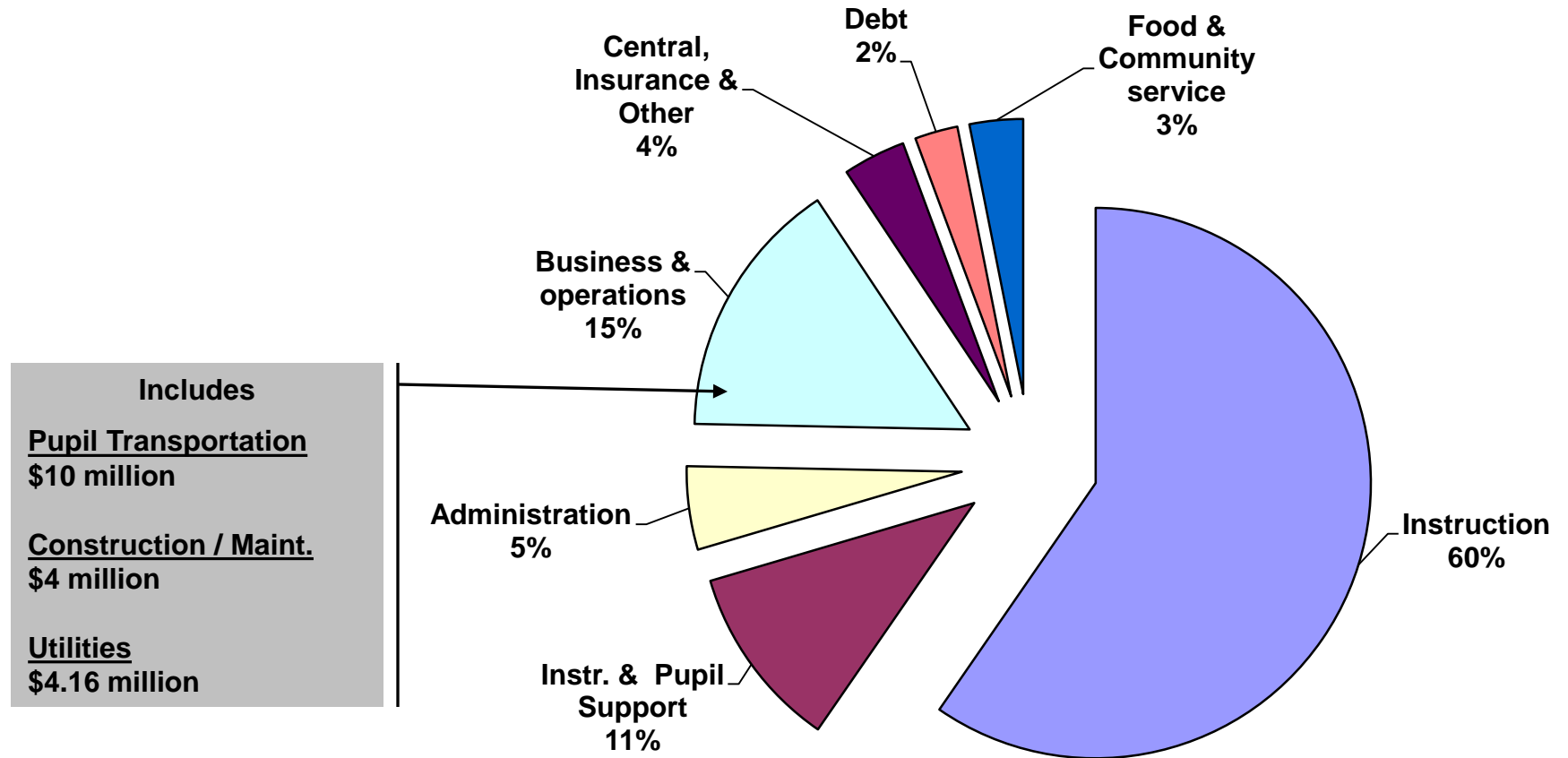


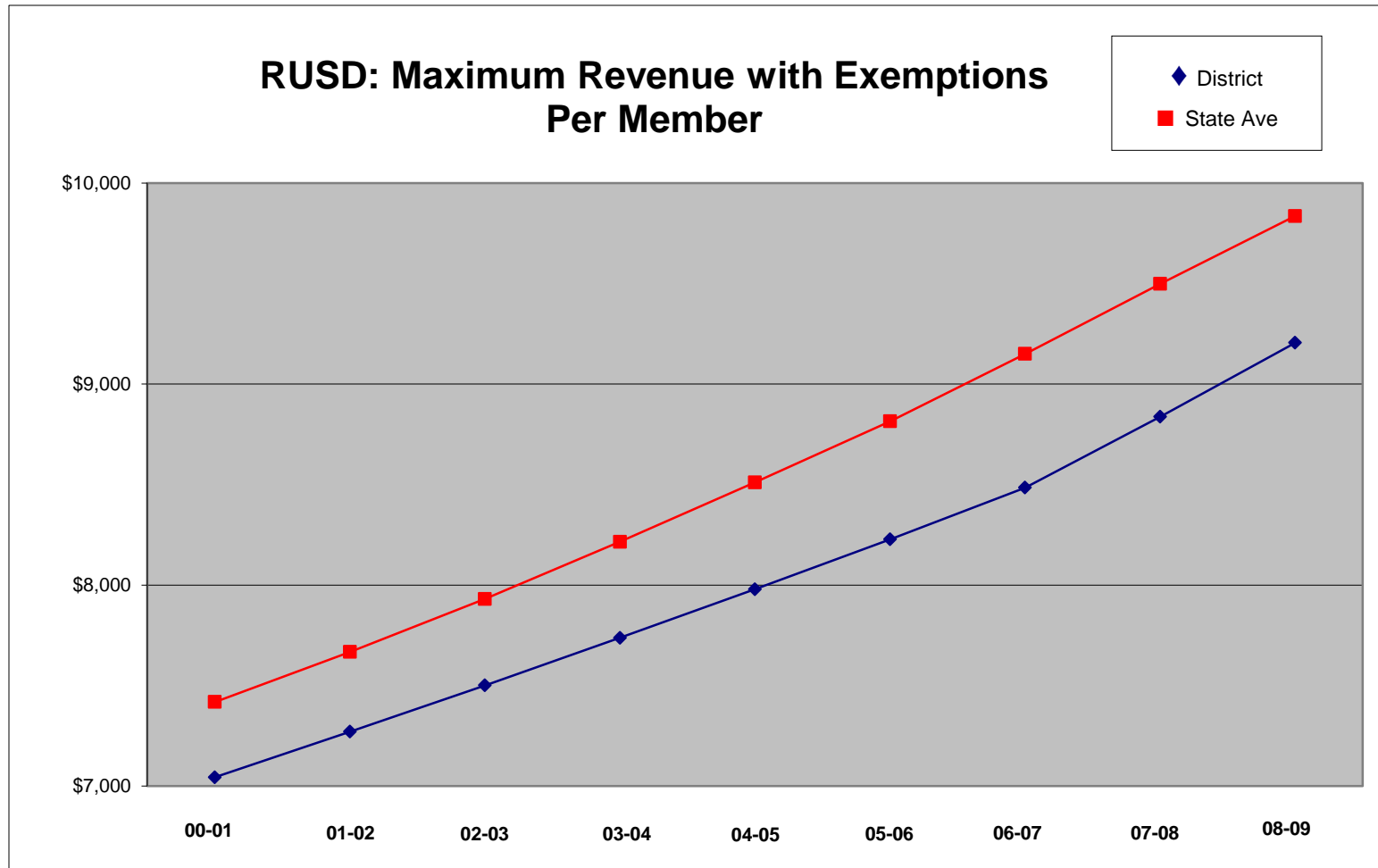
FY10 Revenues by Source (All Funds)





RUSD FY10 Expenditures by Function All Funds







General Fund

Revenues by Source

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Revenues by source						
Property taxes	\$ 57,655,078	\$ 58,337,832	\$ 61,354,861	\$ 62,609,532	2.04%	
Local sources	2,593,602	1,949,015	2,042,117	1,236,104	-39.47%	1
Intermediate sources	76,324	114,200	96,136	85,237	-11.34%	
State sources	135,544,699	137,789,533	143,697,903	148,287,959	3.19%	2
Federal sources	7,482,187	10,501,618	12,659,612	16,573,194	30.91%	3
Other sources	1,005,240	1,063,597	806,899	809,413	0.31%	
Total revenues	204,357,130	209,755,794	220,657,527	229,601,439	4.05%	



General Fund

Expenditures - Instruction

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Expenditures by function						
Instruction						
Regular instruction	90,163,284	93,522,949	101,883,894	102,181,518	0.29%	4
Vocational instruction	4,920,718	4,539,039	4,774,811	4,771,168	-0.08%	
Special instruction	30,272	16,625	9,838	6,918	-29.68%	
Other instruction	6,358,967	6,482,437	6,736,381	6,586,113	-2.23%	5
Total instruction	101,473,241	104,561,050	113,404,924	113,545,717	0.12%	



General Fund

Expenditures – Support Services

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Support service						
Pupil services	6,945,096	8,752,214	8,136,196	8,460,017	3.98%	
Libraries & instructional support	7,031,680	7,845,632	9,543,832	10,698,855	12.10%	6
General administration	2,054,136	1,963,873	1,710,938	2,074,568	21.25%	7
Building administration	11,601,718	11,024,057	10,783,886	10,721,259	-0.58%	8
Business & operations	28,224,155	29,361,952	31,013,508	32,336,995	4.27%	9
Central services	5,262,038	6,083,492	6,394,271	8,301,891	29.83%	10
Insurance	648,777	1,405,903	629,601	924,340	46.81%	11
Debt payments	1,712,614	1,653,590	1,179,759	2,309,759	95.78%	12
Other support services	501,774	248,208	216,014	216,831	0.38%	
Total support services	63,981,988	68,338,921	69,608,005	76,044,515	9.25%	
Non-program transactions	3,105,304	4,139,770	4,553,838	5,141,580		13



General Fund

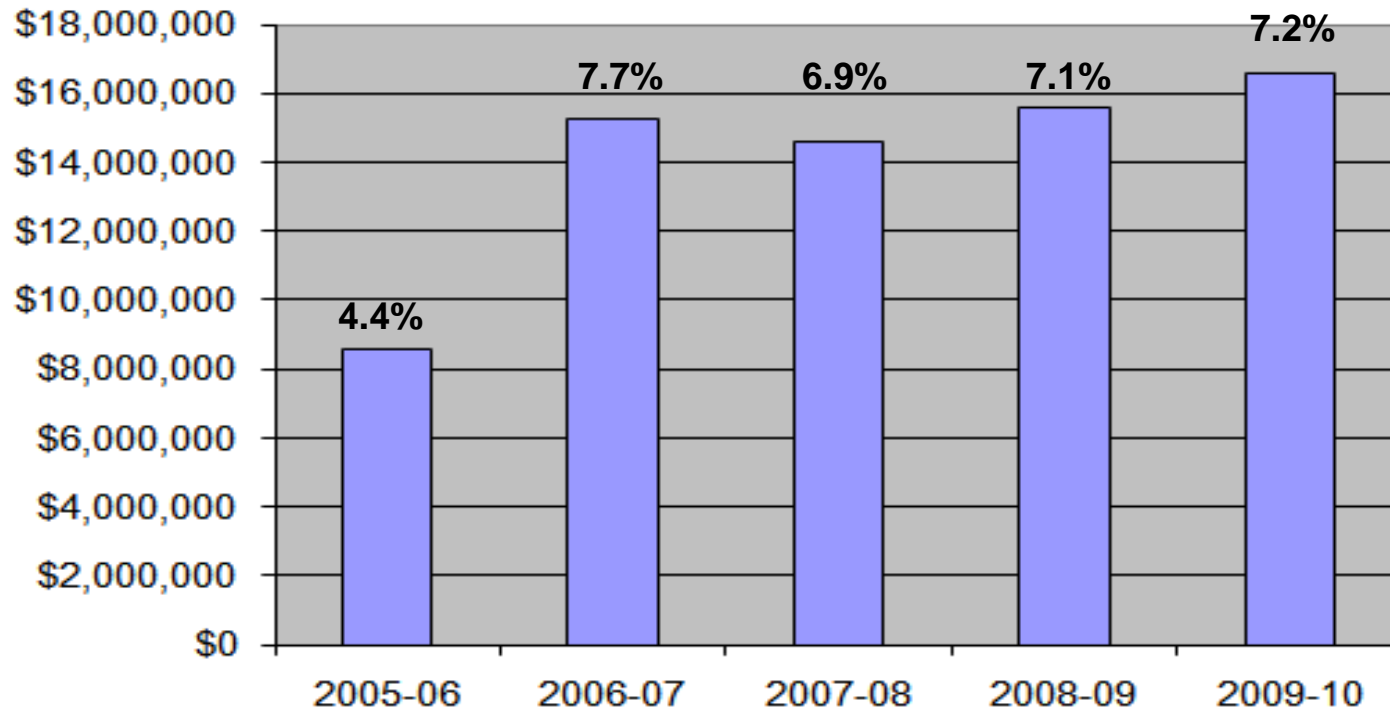
Other Financing Sources & Fund Balance

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Other financing sources (uses)						
Transfer from other funds	23,243	14,695	5,830	220,213		
Other financing sources	2,800,000	0	1,113,556	0	-100.00%	
Transfers to other funds	(31,957,728)	(33,356,346)	(33,210,145)	(34,089,840)	2.65%	14
Total other financing sources (uses)	(29,134,485)	(33,341,651)	(32,090,759)	(33,869,627)		
Net change in fund balance	6,662,112	(625,598)	1,000,000	1,000,000	0.00%	15
Fund balance beginning of year	8,571,361	15,233,473	14,607,875	15,607,876	6.85%	
Fund balance end of year	\$15,233,473	\$14,607,875	\$15,607,876	\$16,607,876	6.41%	



General Fund

**RUSD General Fund Balance
FY06 through FY10**



10%



Special Education

Revenues by Source

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Revenues by source						
Local & intermediate sources	\$0	\$0	\$0	\$0		
State sources	12,253,441	12,845,064	12,733,491	12,811,825	0.62%	1
Federal sources	5,475,994	5,130,260	5,976,104	8,479,085	41.88%	2
Other sources	901	2,908	1,000	0	-100.00%	
Total revenues	17,730,337	17,978,232	18,710,595	21,290,910	13.79%	



Special Education

Expenditures by Function

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Expenditures by function						
Regular instruction	6,724	0	46,757	377,958	708.35%	3
Vocational instruction	0	0	44,000	43,060		
Special instruction	38,818,434	37,115,570	38,636,235	41,485,981	7.38%	4
Total Instruction	38,825,158	37,115,570	38,726,992	41,906,999	8.21%	



Special Education

Pupil Services

	2006-07	2007-08	2008-09	2009-10	PERCENT	NOTES
	ACTUAL	ACTUAL	BUDGET	INTERIM	CHANGE	
Pupil services	4,707,315	3,858,971	5,537,601	5,887,739	6.32%	5
Instructional & staff support	1,462,518	2,669,340	2,783,591	3,157,599	13.44%	6
School administration	0	0	45,000	0	-100.00%	
Business & operations	4,532,999	4,704,609	4,367,645	3,720,365	-14.82%	7
Central services	15,182	0	805	5,952	639.38%	
Other support services	0	0	195,958	150,393	-23.25%	8
Total support services	10,718,014	11,232,920	12,930,600	12,922,048	-0.07%	



Special Education

Other Financing Sources

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Transfer from general fund	31,957,728	30,513,793	33,210,145	34,015,668	2.43%	9
Transfers to other funds	0	0	0	(214,383)		
	31,957,728	30,513,793	33,210,145	33,801,285	1.78%	
Fund balance end of year	\$0	\$0	\$0	\$0		



Food Service

Expenditures

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Expenditures for food service						
Salaries & benefits	527,100	711,041	698,919	742,002	6.16%	3
Purchased services	5,298,966	5,505,645	6,645,736	5,822,450	-12.39%	
Non-capital objects	397,918	464,516	433,174	391,990	-9.51%	
Capital objects	73,917	129,824	95,052	83,814	-11.82%	
Debt service	17,918	18,027	17,945	18,220	1.53%	
Other						
Total expenditures	6,315,819	6,829,053	7,890,826	7,058,476	-10.55%	
 Excess (deficiency) of revenues over expenditures	 193,115	 (191,245)	 (70,839)	 3,166		
 Fund balance beginning of year	 675,781	 868,895	 677,650	 606,811	 -10.45%	
Fund balance end of year	\$868,895	\$677,650	\$606,811	\$609,977	0.52%	



Employee Benefit Trust Fund

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Revenues by source						
Earnings on investments	293,002	128,950	191,841	91,701	-52.20%	
Other	9,100,000	8,324,130	8,240,603	9,777,883	18.65%	
Total Revenues	9,393,002	8,453,080	8,432,444	9,869,584	17.04%	
Expenditures for trust funds	7,753,598	7,878,389	7,715,451	9,170,069	18.85%	
Excess (deficiency) of revenues over expenditures	1,639,403	574,691	716,993	699,515	-2.44%	
Fund balance beginning of year		1,639,403	2,214,094	2,931,087	32.38%	
Fund balance end of year	\$1,639,403	\$2,214,094	\$2,931,087	\$3,630,602	23.87%	



Community Service Expenditures

Community Service Fund
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
INTERIM BUDGET

	2006-07 ACTUAL	2007-08 ACTUAL	2008-09 BUDGET	2009-10 INTERIM	PERCENT CHANGE	NOTES
Revenues by source						
Property taxes	\$372,335	\$552,000	\$815,000	\$900,000	10.43%	1
Local sources	177,137	170,853	204,204	160,500	-21.40%	2
Other revenues						
Total Revenues	549,472	722,853	1,019,204	1,060,500	4.05%	
Expenditures for community service						
Salaries & benefits	271,683	455,462	828,970	928,091	11.96%	3
Purchased services	23,890	96,504	125,037	139,950		
Non-capital objects	34,674	62,900	52,239	75,457		
Capital objects	1,644	10,614	10,045	0	-100.00%	
Other	1,580	9,584	1,000	6,000	500.00%	
Total expenditures	333,471	635,064	1,017,291	1,149,498	13.00%	
Excess (deficiency) of revenues over expenditures	216,001	87,789	1,913	(88,998)	-4752.27%	
Fund balance beginning of year		216,001	303,790	305,703	0.63%	
Fund balance end of year	\$216,001	\$303,790	\$305,703	\$216,705	-29.11%	



RACINE UNIFIED SCHOOL DISTRICT

	2008/2009	2009/2010		Change From Prior Year - Prelim		Change From Prior Year - DPI		Change From Prelim to DPI	
		Preliminary Budget	New State Aid per DPI	\$	%	\$	%	\$	%
REVENUE LIMIT									
Base Revenue Limit	\$197,323,751	\$201,325,327	\$201,325,327	\$4,001,576	2.0%	\$4,001,576	2.03%	\$0	0.0%
Transfer of Service Revenue allowed	\$1,432,088	\$1,400,000	\$1,400,000	-\$32,088	-2.2%	-\$32,088	-2.24%	\$0	0.0%
Nonrecurring Referendum	\$4,300,000	\$4,300,000	\$4,300,000	\$0	0.0%	\$0	0.00%	\$0	0.0%
Enrollment Allowance	\$0	\$2,140,751	\$2,140,751	\$2,140,751	-	\$2,140,751	-	\$0	0.0%
Total Revenue Limit	\$203,055,839	\$209,166,078	\$209,166,078	\$6,110,239	3.0%	\$6,110,239	3.01%	\$0	0.0%
STATE AID									
General State Aid	\$136,373,932	\$139,800,711	\$131,637,126	\$3,426,779	2.5%	-\$4,736,806	-3.47%	-\$8,163,585	-5.8%
High Poverty Aid	\$0	\$1,285,383	\$2,403,618	\$1,285,383	-	\$2,403,618	-	\$1,118,235	87.0%
Total State Aid	\$136,373,932	\$141,086,094	\$134,040,744	\$4,712,162	3.5%	-\$2,333,188	-1.71%	-\$7,045,350	-5.0%
TAX LEVY									
General Fund	\$61,997,903	\$63,248,372	\$70,293,722	\$1,250,469	2.0%	\$8,295,819	13.38%	\$7,045,350	11.1%
Debt	\$784,004	\$931,612	\$931,612	\$147,608	18.8%	\$147,608	18.83%	\$0	0.0%
Capital Expenditures	\$3,900,000	\$3,900,000	\$3,900,000	\$0	0.0%	\$0	0.00%	\$0	0.0%
Total levy for revenue limit	\$66,681,907	\$68,079,984	\$75,125,334	\$1,398,077	2.1%	\$8,443,427	12.66%	\$7,045,350	10.3%
Total aid and levy for revenue limit	\$203,055,839	\$209,166,078	\$209,166,078	\$6,110,239	3.0%	\$6,110,239	3.01%	\$0	0.0%
Other levy items									
Referendum debt	\$3,247,348	\$3,281,301	\$3,281,301	\$33,953	1.0%	\$33,953	1.05%	\$0	0.0%
Community Service Fund	\$815,000	\$900,000	\$900,000	\$85,000	10.4%	\$85,000	10.43%	\$0	0.0%
Prior year adjustment	\$2,657	\$20,877	\$20,877	\$18,220	685.7%	\$18,220	685.74%	\$0	0.0%
Computer aid credit	-\$645,964	-\$659,981	-\$724,310	-\$14,017	2.2%	-\$78,346	12.13%	-\$64,329	9.7%
Total other levy items	\$3,419,041	\$3,542,197	\$3,477,868	\$123,156	3.6%	\$58,827	1.72%	-\$64,329	-1.8%
Total Levy	\$70,100,948	\$71,622,181	\$78,603,202	\$1,521,233	2.2%	\$8,502,254	12.13%	\$6,981,021	9.7%
Property Values	\$9,714,572,950	\$9,714,572,950	\$9,714,572,950	\$0	0.0%	\$0	0.00%	\$0	0.0%



RACINE UNIFIED SCHOOL DISTRICT



Wisconsin Investment Services Cooperative

Total Portfolio Report

As of: 6/30/2009

PMA Financial Network, Inc.
 2135 CityGate Lane
 7th Floor
 Naperville, Illinois 60563
 Telephone . 630-657-6400
 Facsimile . 630-718-8701

Racine Unified School District / FUND 73 (51161-103)

2845

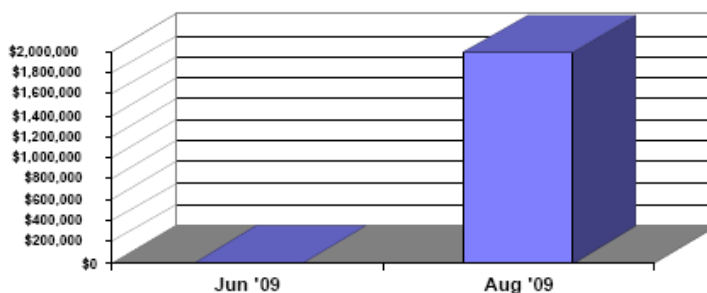
Type	Trans	SEO	Purchase	Maturity	Instrument	Par-Val/Mat. Val.	Original Cost	Rate
MM					CMS Balance	\$0.49	\$0.49	
MM					IS Balance	\$0.14	\$0.14	
SDA					Savings Deposit Account - CITIBANK	\$368,594.72	\$368,594.72	
CD	132042	1	4/22/2009	8/20/2009	PRIVATE BANK - MI	\$249,915.24	\$249,000.00	1.118
CD	132043	1	4/22/2009	8/20/2009	FIFTH THIRD BANK - MI CHARTER	\$249,953.75	\$249,200.00	0.920
CD	132044	1	4/22/2009	8/20/2009	REPUBLIC BANK OF CHICAGO	\$249,937.36	\$249,200.00	0.900
CD	132045	1	4/22/2009	8/20/2009	REPUBLIC FIRST BANK	\$249,955.70	\$249,300.00	0.800
CD	132046	1	4/22/2009	8/20/2009	BANKDIRECT / TEXAS CAPITAL BANK NA	\$249,902.41	\$249,200.00	0.857
CD	132047	1	4/22/2009	8/20/2009	THE NATIONAL BANK/FIRST WISCONSIN B&TC	\$249,996.88	\$249,300.00	0.850
CD	132048	1	4/22/2009	8/20/2009	OXFORD BANK AND TRUST	\$249,996.88	\$249,300.00	0.850
CD	132049	1	4/22/2009	8/20/2009	COLE TAYLOR BANK (N)	\$249,996.88	\$249,300.00	0.850

Note: Weighted Yield & Weighted Average Portfolio Maturity are calculated only on the CD, CP, & SEC desk.

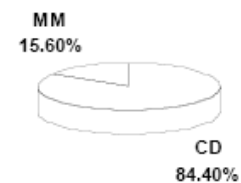
Total Amount --> **\$2,368,249.85** **\$2,362,395.35**

Time and Dollar Weighted Portfolio Yield: 0.893 %
 Weighted Average Portfolio Maturity: 51.00 Days

MM: 15.60%
 CD's: 84.40%
 CP: 0.00%
 SEC: 0.00%



Portfolio Maturity Summary - Maturing \$/Month



Portfolio Allocation by Transaction Type



RACINE UNIFIED SCHOOL DISTRICT



Racine Unified School District OPEB Liability Statement July 1, 2008 to June 30, 2009

OPEB Liability – 51161-103

Amount in trust	\$2,362,395.35	Market value as of 6/30/2009
Investment return for fiscal year 2009	\$105,743.89	
Total disbursements made in fiscal year 2009	\$7,762,000.00	
Investment authority has not been delegated		

This memo shows the total amount in the Trust, any interest received, and total disbursements within this account as of the ending period noted above. Neither PMA nor WISC have been designated as investment manager for the School District. The Investment Return includes any coupon payments or dividends received from the investments held and does not include any accrued but not received interest. The market value was provided by an independent third party, which PMA believes to be reliable. However, PMA cannot guarantee its accuracy. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from PMA Financial Network, Inc. Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

Information regarding WISC investment objectives, risks, charges and expenses can be found in WISC's information statement, which can be obtained by calling PMA at the phone numbers listed. The data featured above represents past performance, which is no guarantee of future results. Investment return will fluctuate. Please call PMA for more information regarding this account.