

The District's General Fund balance of \$2,316,929 reported on pages 13 and 15 differs from the General Fund's budgetary fund balance of \$2,193,066 reported in the budgetary comparison schedule on page 15. This is principally due to actual expenditures and food service deficit transfers being less than budgeted.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

At the end of fiscal year 2010, the District had \$11,742,173 invested in a broad range of capital assets including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents an increase of \$362,180 from last fiscal year. The following additions were made during the year:

Portable building	\$ 9,900
2010 Ford F150 pickup	18,933
2009 77-passenger bus	75,685
Overhaul buses (2)	19,925
Video conferencing equipment	6,825
Nursing mannequin	6,653
Distance learning infrastructure/equip.	224,259
<b>Total Asset Additions</b>	<b>\$ 362,180</b>

### ***Debt***

At year-end, the District had one outstanding long-term liability in the form of a capital lease (with a balance of \$234,741) that was obtained in order to finance the purchase campus improvements in the form of energy savings system. During the year, the District made one annual lease payment totaling \$33,309 (\$20,078 in principal and \$13,231 in interest) during the year. Annual payments due until 2019 will approximate \$33,309 until fully retired.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District should remain financially strong during the 2010-11 fiscal year. Budgeted revenues should approximate what they were in 2009-10 but expenditures should be substantially more than they were in 2009-10 due to mandated campus repairs. The tax rate adopted by the board of trustees was set at \$1.04 (the same rate that was adopted for the 2009-10 fiscal year). The District anticipates that its fund balance at the end of the 2010-11 fiscal year will be at or near \$1,800,000.

However, uncertainty exists about the future financial assistance that the District receives from the State of Texas. Due to the poor state and national economies, it is projected that the State of Texas will have a budget deficit of approximately \$25 billion for the next biennium budget period. With public education accounting for approximately 40% of the state's overall budget, there is a real concern that funding cuts to education will be made to help solve the state's projected deficit. While the District anticipates that its fund balance will remain strong, it is predicated upon state funding being maintained at existing levels. Should the State of Texas cut its funding to the District, the fund balances of the District will be significantly less than they currently are and are projected to be.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's business office at: Riviera Independent School District, 203 Seahawk Drive, Riviera, Texas 78379; (361) 296-3101.