

**Riverview School District
Financial Statements
June 30, 2019**

**Riverview School District
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Independent Auditor's Report

Members of the Board
Riverview School District
Oakmont, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverview School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Riverview School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverview School District, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information as shown in the table of contents, 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.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 30, 2019

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

The discussion and analysis of Riverview School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

Riverview School District, like most of the school districts in Western Pennsylvania, has seen enrollment decline over the last 10 years, dropping from 1,400 students to approximately 959 students. Riverview School District continues to see increases in median household income, as well as increases in property values. The Waterfront establishment continues to offer a short-term solution to the capped taxing capacity, at least into the next couple of years, as it continues to build and sell units. The School District continues to see increases in salaries, as well as PSERS state pension requirements and charter school tuition increases. In addition, special education obligations continue to rise with increases in special education placement costs and transportation needs. Overall, the School District maintains a healthy fund balance and is planning on spending down some of the fund balance to make some needed facility improvements/repairs School District-wide.

Using the Annual Financial Report

The Annual Financial Report consists of a financial section which includes the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Riverview School District as an entire operating entity. The statements provide a detailed look at specific financial activities.

The first two statements are government-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements. These statements will cover governmental, proprietary and fiduciary funds. The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Figure A-1 shows how the required parts of the financial section are arranged and relate to one another:

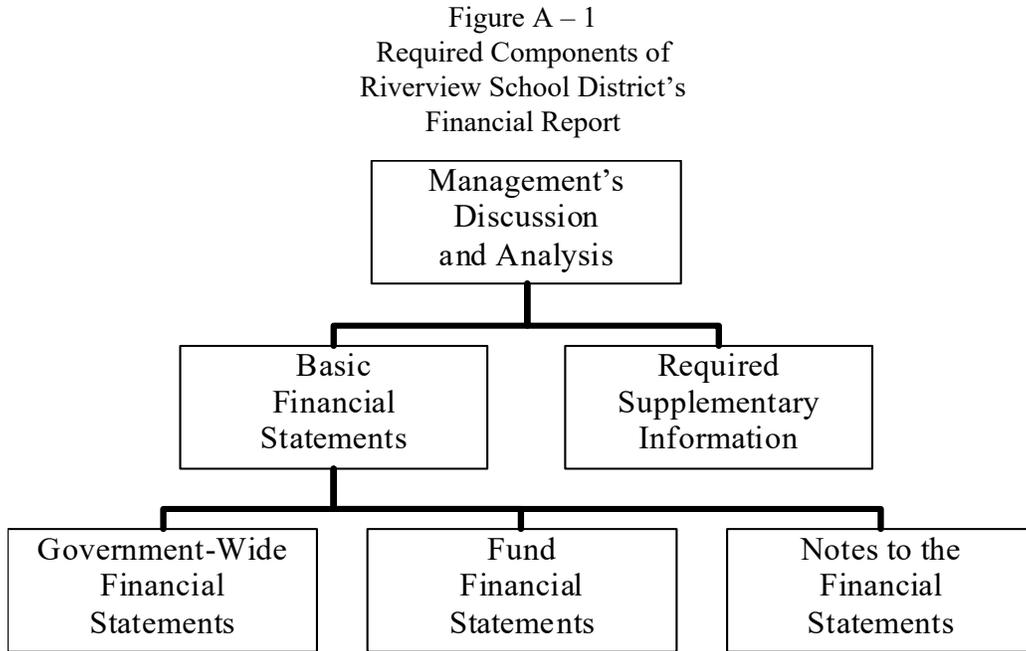


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Figure A – 2
Major Features of Riverview School District's
Government-Wide and Fund Financial Statements

| | Government-Wide Statements | Fund Statements | | |
|--|--|--|---|--|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire School District (except fiduciary funds) | The activities of the School District that are not proprietary or fiduciary, such as education, administration and community services | Activities the School District operates similar to private business - food services | Instances in which the School District is the trustee or agent to someone else's resources |
| Required financial statements | Statement of net position; statement of activities | Balance sheet; statement of revenues, expenditures, and changes in fund balance | Statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows | Statement of fiduciary net position; statement of changes in fiduciary net position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term |
| Type of in-flow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Overview of Financial Statements

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how they have changed. Net position, the difference between the School District's assets and liabilities, is only one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indication of whether its financial health is improving or deteriorating. (Exhibits 1 and 2)

The government-wide financial statements of the School District are divided into two categories:

- **Governmental activities** - All of the School District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- **Business-Type activities** - The School District operates a food service operation and charges fees to staff, students and visitors to help cover the costs of the food service operation.

Fund Financial Statements

The School District's fund financial statements, which begin with Exhibit 3 of the annual financial report, provide detailed information about the most significant funds - not the School District as a whole.

Governmental funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and changes in financial position. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides.

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector, determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. The food service fund is the School District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information.

Fiduciary funds - The School District is the trustee, or fiduciary, for some scholarship funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position on Exhibit 10. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(21,112,910) at June 30, 2019 and a deficit \$(21,265,760) at June 30, 2018.

Table A - 1
Years Ended June 30, 2019 and 2018
Net Position

| | 2019 | | | 2018 | | |
|----------------------------------|----------------------------|---------------------------------|------------------------|----------------------------|---------------------------------|------------------------|
| | Governmental Activities | Business- Type Activities | Totals | Governmental Activities | Business- Type Activities | Totals |
| Current and Other Assets | \$ 15,230,704 | \$ 93,084 | \$ 15,323,788 | \$ 15,629,236 | \$ 89,032 | \$ 15,718,268 |
| Capital Assets | <u>17,499,159</u> | <u>47,028</u> | <u>17,546,187</u> | <u>16,370,655</u> | <u>52,107</u> | <u>16,422,762</u> |
| Total Assets | <u>32,729,863</u> | <u>140,112</u> | <u>32,869,975</u> | <u>31,999,891</u> | <u>141,139</u> | <u>32,141,030</u> |
| Deferred Outflows of Resources | <u>6,235,140</u> | <u>-</u> | <u>6,235,140</u> | <u>7,706,531</u> | <u>-</u> | <u>7,706,531</u> |
| Current and Other Liabilities | 3,272,550 | 15,056 | 3,287,606 | 2,878,784 | 16,260 | 2,895,044 |
| Noncurrent Liabilities | | | | | | |
| Due Within One Year | 915,117 | - | 915,117 | 890,118 | - | 890,118 |
| Due in More Than One Year | <u>51,900,525</u> | <u>-</u> | <u>51,900,525</u> | <u>56,993,159</u> | <u>-</u> | <u>56,993,159</u> |
| Total Liabilities | <u>56,088,192</u> | <u>15,056</u> | <u>56,103,248</u> | <u>60,762,061</u> | <u>16,260</u> | <u>60,778,321</u> |
| Deferred Inflows of Resources | <u>4,114,777</u> | <u>-</u> | <u>4,114,777</u> | <u>335,000</u> | <u>-</u> | <u>335,000</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 4,008,029 | 47,028 | 4,055,057 | 4,437,568 | 52,107 | 4,489,675 |
| Unrestricted | <u>(25,245,995)</u> | <u>78,028</u> | <u>(25,167,967)</u> | <u>(25,828,207)</u> | <u>72,772</u> | <u>(25,755,435)</u> |
| Total Net Position | <u>\$ (21,237,966)</u> | <u>\$ 125,056</u> | <u>\$ (21,112,910)</u> | <u>\$ (21,390,639)</u> | <u>\$ 124,879</u> | <u>\$ (21,265,760)</u> |

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is combined designated and undesignated amounts.

The results of this year's operations are reported in the statement of activities on Exhibit 2. Expenses are reported for governmental activities and business activities as well as revenue for each activity. Exhibit 2 will show the changes in net position for each.

Table A-2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Table A - 2
Years Ended June 30, 2019 and 2018
Changes in Net Position

| | 2019 | | | 2018 | | |
|--|--------------------------------------|---------------------------------|--------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| | Governmental Activities | Business- Type Activities | Totals | Governmental Activities | Business- Type Activities | Totals |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ - | \$ 329,616 | \$ 329,616 | \$ - | \$ 302,279 | \$ 302,279 |
| Operating Grants and Contribs. | 3,458,505 | 284,953 | 3,743,458 | 3,342,561 | 263,968 | 3,606,529 |
| Capital Grants and Contribs. | 193,849 | - | 193,849 | 263,094 | - | 263,094 |
| General Revenues | | | | | | |
| Property Taxes | 14,541,615 | - | 14,541,615 | 13,846,918 | - | 13,846,918 |
| Other Taxes | 1,789,246 | - | 1,789,246 | 1,769,025 | - | 1,769,025 |
| Grants, Subsidies and Contribs. | | | | | | |
| Unrestricted | 3,402,254 | - | 3,402,254 | 3,378,001 | - | 3,378,001 |
| Other Revenues | 223,505 | 31 | 223,536 | 135,658 | 23 | 135,681 |
| Transfers | (20,000) | 20,000 | - | (60,000) | 60,000 | - |
| Total Revenues | <u>23,588,974</u> | <u>634,600</u> | <u>24,223,574</u> | <u>22,675,257</u> | <u>626,270</u> | <u>23,301,527</u> |
| Expenses | | | | | | |
| Instruction | 12,635,600 | - | 12,635,600 | 13,557,053 | - | 13,557,053 |
| Instructional Student Support | 2,623,664 | - | 2,623,664 | 3,221,952 | - | 3,221,952 |
| Admin. and Fin. Support Svcs. | 2,310,686 | - | 2,310,686 | 2,414,114 | - | 2,414,114 |
| Operation and Maintenance | | | | | | |
| of Plant Services | 2,097,019 | - | 2,097,019 | 2,118,800 | - | 2,118,800 |
| Pupil Transportation | 1,066,219 | - | 1,066,219 | 999,278 | - | 999,278 |
| Student Activities | 757,120 | - | 757,120 | 742,378 | - | 742,378 |
| Community Services | 53,950 | - | 53,950 | 44,202 | - | 44,202 |
| Interest on Long-Term Debt | 508,839 | - | 508,839 | 483,429 | - | 483,429 |
| Food Service | - | 634,423 | 634,423 | - | 614,249 | 614,249 |
| Total Expenses | <u>22,053,097</u> | <u>634,423</u> | <u>22,687,520</u> | <u>23,581,206</u> | <u>614,249</u> | <u>24,195,455</u> |
| Increase (Decrease) in Net Position | 1,535,877 | 177 | 1,536,054 | (905,949) | 12,021 | (893,928) |
| Beginning Net Position | | | | | | |
| (Restated - See Note 2) | <u>(22,773,843)</u> | <u>124,879</u> | <u>(22,648,964)</u> | <u>(20,484,690)</u> | <u>112,858</u> | <u>(20,371,832)</u> |
| Ending Net Position | <u><u>\$ (21,237,966)</u></u> | <u><u>\$ 125,056</u></u> | <u><u>\$ (21,112,910)</u></u> | <u><u>\$ (21,390,639)</u></u> | <u><u>\$ 124,879</u></u> | <u><u>\$ (21,265,760)</u></u> |

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

The tables below present the expenses of both the governmental activities and the business-type activities of the School District.

Table A-3 shows the School District's eight largest functions as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A - 3
Years Ended June 30, 2019 and 2018
Governmental Activities

| | 2019 | | 2018 | |
|--|--|--------------------------------------|--|--------------------------------------|
| | Total Cost (Expense) of Services | Net Cost (Expense) of Services | Total Cost (Expense) of Services | Net Cost (Expense) of Services |
| Functions/Programs | | | | |
| Instruction | \$ 12,635,600 | \$ 10,129,640 | \$ 13,557,053 | \$ 11,088,137 |
| Instructional Student Support | 2,623,664 | 2,253,793 | 3,221,952 | 2,873,655 |
| Admin. and Fin. Support Svcs. | 2,310,686 | 2,084,284 | 2,414,114 | 2,200,049 |
| Operation and Maintenance of Plant Services | 2,097,019 | 1,983,381 | 2,118,800 | 2,018,693 |
| Pupil Transportation | 1,066,219 | 858,822 | 999,278 | 821,916 |
| Student Activities | 757,120 | 723,128 | 742,378 | 710,257 |
| Community Services | 53,950 | 52,705 | 44,202 | 42,509 |
| Interest on Long-Term Debt | <u>508,839</u> | <u>314,990</u> | <u>483,429</u> | <u>220,335</u> |
| Total Governmental Activities | <u>\$ 22,053,097</u> | 18,400,743 | <u>\$ 23,581,206</u> | 19,975,551 |
| Less: | | | | |
| Unrestricted Grants, Subsidies | | <u>(3,402,254)</u> | | <u>(3,378,001)</u> |
| Total Needs from Local Taxes and Other Revenues | | <u>\$ 14,998,489</u> | | <u>\$ 16,597,550</u> |

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Table A-4 shows the School District's activities in the food service program. This is the only business-type activity of the School District.

Table A - 4
Years Ended June 30, 2019 and 2018
Business-Type Activities

| | 2019 | | 2018 | |
|--------------------------------|--|--------------------------------------|--|--------------------------------------|
| | Total Cost (Expense) of Services | Net Cost (Expense) of Services | Total Cost (Expense) of Services | Net Cost (Expense) of Services |
| Functions/Programs | | | | |
| Food Service | <u>\$ 634,423</u> | \$ 19,854 | <u>\$ 614,249</u> | \$ 48,002 |
| Add/Less: | | | | |
| Investment Earnings | | 31 | | 23 |
| Transfers | | <u>20,000</u> | | <u>60,000</u> |
| Total Business-Type Activities | | <u>\$ 39,885</u> | | <u>\$ 108,025</u> |

School District Funds

As of June 30, 2019, the School District had a general fund balance of \$5,243,175, which is an increase of \$1,174,400 over year-end June 30, 2018. The School District recognized a \$340,000 increase in total revenues, most of which are a result of a one-time post in real estate taxes from properties in a new building complex being processed through the interim tax program in the county. State and Federal revenues continue to remain flat.

General Fund Budget

Our final audit shows the School District's original and final budget amounts compared with amounts actually paid for each category of the budget. This schedule can be found in the required supplementary information section of the annual audit.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Capital Assets and Debt Administration

Capital Assets

At June 30, 2019, the School District had net capital assets of \$17,499,159 which included land, buildings, construction in progress and furniture and equipment.

Table A - 5
Governmental Activities
Capital Assets - Net of Depreciation

| | 2019 | 2018 |
|-------------------------------------|-------------|-------------|
| Land and Land Improvements | \$ 328,261 | \$ 328,261 |
| Buildings and Building Improvements | 16,730,122 | 15,889,910 |
| Furniture and Equipment | 38,739 | 152,484 |
| Construction in Progress | 402,037 | - |

Debt Administration

As of June 30, 2019, the School District had a total of \$18,365,000 in long-term liabilities consisting of general obligation bonds.

Table A - 6
Outstanding Debt

| General Obligation Bonds/Notes | As of 06/30/19 | As of 06/30/18 |
|--------------------------------|-----------------------|-----------------------|
| Bonds - Series of 2010B | \$ 580,000 | \$ 585,000 |
| Bonds - Series of 2015A | 7,515,000 | 8,370,000 |
| Bonds - Series of 2015B | 3,070,000 | 3,075,000 |
| Bonds - Series of 2018 | 7,200,000 | 7,200,000 |

Economic Factors and Next Year's Budget and Rates

Contracted and mandated including but not limited to salaries, PSERS retirement contributions, special education and transportation costs continue to increase and will greatly affect the 2020/2021 budget. Instability with state funding commitments, as well as an increase in median household income within the communities (Verona and Oakmont), will move the School District into relying more on local funding. The School District will continue to review any opportunities that can provide savings and/or cost reduction into the future in an effort to keep property tax increases away or very small. The Board of School Directors passed a resolution to not increase property taxes beyond the state index of 2.6% if needed for the 2020/2021 school year.

**Riverview School District
Management's Discussion and Analysis
June 30, 2019**

Table A - 7

| | Budgeted Revenue 2019/2020 | Actual Revenue 2018/2019 |
|---------------------------|------------------------------------|----------------------------------|
| Local | 70.8% | 70.8% |
| State | 27.9% | 27.8% |
| Federal/Other | 1.3% | 1.4% |
| | | |
| | Budgeted Expenditures 2019/2020 | Actual Expenditures 2018/2019 |
| Instruction | 55.1% | 50.7% |
| Support Services | 31.5% | 31.1% |
| Noninstructional Services | 3.1% | 3.1% |
| Fund Transfers/Debt/Other | 10.3% | 15.1% |

Contacting the School District Financial Management

All financial reports and audits are designed to provide our citizens, taxpayers, parents, students, investors, and creditors a general overview of the School District's finances and to show accountability for all aspects of its finances. If you have questions about this report or wish to request additional information, please contact: Ms. Tammy Good, Riverview School District, 701 Tenth Street, Oakmont, PA 15139, 412-828-1800.

**Riverview School District
Statement of Net Position
June 30, 2019**

Exhibit 1

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 11,936,238 | \$ 39,076 | \$ 11,975,314 |
| Taxes Receivable, Net | 2,284,784 | - | 2,284,784 |
| Internal Balances | 1,227 | (1,227) | - |
| Due From Other Governments | 808,935 | 33,862 | 842,797 |
| Other Receivables | 122 | 8,106 | 8,228 |
| Inventories | - | 13,267 | 13,267 |
| Prepaid Items | 195,552 | - | 195,552 |
| Other Current Assets | 3,846 | - | 3,846 |
| Capital Assets not Being Depreciated | | | |
| Land | 233,521 | - | 233,521 |
| Construction in Progress | 402,037 | - | 402,037 |
| Capital Assets, Net of Accumulated Depreciation | | | |
| Land Improvements | 94,740 | - | 94,740 |
| Building & Building Improvements | 16,730,122 | - | 16,730,122 |
| Furniture & Equipment | 38,739 | 47,028 | 85,767 |
| TOTAL ASSETS | 32,729,863 | 140,112 | 32,869,975 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charge on Refunding | 318,154 | - | 318,154 |
| Amounts Related to OPEB - PSERS | 180,309 | - | 180,309 |
| Amounts Related to Pension | 5,736,677 | - | 5,736,677 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 6,235,140 | - | 6,235,140 |
| LIABILITIES | | | |
| Accounts Payable | 743,331 | 11,565 | 754,896 |
| Accrued Salaries and Benefits | 2,340,481 | - | 2,340,481 |
| Payroll Deductions and Withholdings | 1,384 | - | 1,384 |
| Unearned Revenues | - | 3,491 | 3,491 |
| Other Current Liabilities | 187,354 | - | 187,354 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 915,117 | - | 915,117 |
| Due in More Than One Year: | | | |
| Termination Payments | 3,559 | - | 3,559 |
| Compensated Absences | 45,600 | - | 45,600 |
| Bonds Payable | 17,405,815 | - | 17,405,815 |
| Other Post-Employment Benefits - District | 2,588,551 | - | 2,588,551 |
| Other Post-Employment Benefits - PSERS | 1,326,000 | - | 1,326,000 |
| Net Pension Liability | 30,531,000 | - | 30,531,000 |
| TOTAL LIABILITIES | 56,088,192 | 15,056 | 56,103,248 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Amounts Related to OPEB - District | 333,777 | - | 333,777 |
| Amounts Related to OPEB - PSERS | 211,000 | - | 211,000 |
| Amounts Related to Pension | 3,570,000 | - | 3,570,000 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 4,114,777 | - | 4,114,777 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 4,008,029 | 47,028 | 4,055,057 |
| Unrestricted | (25,245,995) | 78,028 | (25,167,967) |
| TOTAL NET POSITION | \$ (21,237,966) | \$ 125,056 | \$ (21,112,910) |

See Accompanying Notes

**Riverview School District
Statement of Activities
Year Ended June 30, 2019**

Exhibit 2

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|----------------------|----------------------------|--|--|--|---------------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Governmental activities: | | | | | | | |
| Instruction | \$ 12,635,600 | \$ - | \$ 2,505,960 | \$ - | \$ (10,129,640) | \$ - | \$ (10,129,640) |
| Instructional Student Support | 2,623,664 | - | 369,871 | - | (2,253,793) | - | (2,253,793) |
| Administrative and Financial Support Services | 2,310,686 | - | 226,402 | - | (2,084,284) | - | (2,084,284) |
| Operation and Maintenance of Plant Services | 2,097,019 | - | 113,638 | - | (1,983,381) | - | (1,983,381) |
| Pupil Transportation | 1,066,219 | - | 207,397 | - | (858,822) | - | (858,822) |
| Student Activities | 757,120 | - | 33,992 | - | (723,128) | - | (723,128) |
| Community Services | 53,950 | - | 1,245 | - | (52,705) | - | (52,705) |
| Interest on Long-Term Debt | 508,839 | - | - | 193,849 | (314,990) | - | (314,990) |
| Total Governmental Activities | 22,053,097 | - | 3,458,505 | 193,849 | (18,400,743) | - | (18,400,743) |
| Business-type activities: | | | | | | | |
| Food Service | 634,423 | 329,616 | 284,953 | - | - | (19,854) | (19,854) |
| Total Primary Government | \$ 22,687,520 | \$ 329,616 | \$ 3,743,458 | \$ 193,849 | (18,400,743) | (19,854) | (18,420,597) |
| General Revenues and Transfers | | | | | | | |
| Taxes | | | | | | | |
| Property Taxes Levied for General Purposes, Net | | | | | 14,541,615 | - | 14,541,615 |
| Earned Income Taxes | | | | | 1,509,747 | - | 1,509,747 |
| Real Estate Transfer Taxes | | | | | 236,826 | - | 236,826 |
| Other Taxes Levied for General Purposes, Net | | | | | 42,673 | - | 42,673 |
| Grants, Subsidies and Contributions not Restricted | | | | | 3,402,254 | - | 3,402,254 |
| Investment Earnings | | | | | 188,331 | 31 | 188,362 |
| Miscellaneous Income | | | | | 37,756 | - | 37,756 |
| Loss on Disposal of Assets | | | | | (2,582) | - | (2,582) |
| Transfers | | | | | (20,000) | 20,000 | - |
| Total General Revenues and Transfers | | | | | 19,936,620 | 20,031 | 19,956,651 |
| Change in Net Position | | | | | 1,535,877 | 177 | 1,536,054 |
| Net Position - July 1, 2018 (Restated - See Note 2) | | | | | (22,773,843) | 124,879 | (22,648,964) |
| Net Position - June 30, 2019 | | | | | \$ (21,237,966) | \$ 125,056 | \$ (21,112,910) |

See Accompanying Notes

**Riverview School District
Balance Sheet
Governmental Funds
June 30, 2019**

Exhibit 3

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|---|----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 6,596,285 | \$ 5,339,953 | \$ 11,936,238 |
| Taxes Receivable, Net | 2,284,784 | - | 2,284,784 |
| Due from Other Funds | 1,227 | - | 1,227 |
| Due from Other Governments | 808,935 | - | 808,935 |
| Other Receivables | 122 | - | 122 |
| Prepaid Items | 195,552 | - | 195,552 |
| Other Current Assets | 3,846 | - | 3,846 |
| | <u>9,890,751</u> | <u>5,339,953</u> | <u>15,230,704</u> |
| TOTAL ASSETS | <u>\$ 9,890,751</u> | <u>\$ 5,339,953</u> | <u>\$ 15,230,704</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | \$ 430,910 | \$ 312,421 | \$ 743,331 |
| Accrued Salaries and Benefits | 2,340,481 | - | 2,340,481 |
| Payroll Deductions and Withholdings | 1,384 | - | 1,384 |
| | <u>2,772,775</u> | <u>312,421</u> | <u>3,085,196</u> |
| Total Liabilities | <u>2,772,775</u> | <u>312,421</u> | <u>3,085,196</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenues - Property Taxes | 1,874,801 | - | 1,874,801 |
| | <u>1,874,801</u> | <u>-</u> | <u>1,874,801</u> |
| Fund Balances | | | |
| Nonspendable | 195,552 | - | 195,552 |
| Restricted | - | 4,506,863 | 4,506,863 |
| Committed | 2,778,892 | 520,669 | 3,299,561 |
| Assigned | 489,283 | - | 489,283 |
| Unassigned | 1,779,448 | - | 1,779,448 |
| | <u>5,243,175</u> | <u>5,027,532</u> | <u>10,270,707</u> |
| Total Fund Balances | <u>5,243,175</u> | <u>5,027,532</u> | <u>10,270,707</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 9,890,751</u> | <u>\$ 5,339,953</u> | <u>\$ 15,230,704</u> |

See Accompanying Notes

**Riverview School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 10,270,707

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$29,968,543, and the accumulated depreciation is \$12,469,384. 17,499,159

Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported as assets in governmental funds. 1,874,801

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. 69,185

Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position. 318,154

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

| | | |
|-------------------------------|-----------------|--------------|
| Bonds Payable | \$ (18,365,000) | |
| Accrued Interest on the Bonds | (187,354) | |
| Notes Payable | (20,332) | |
| Termination Payments | (8,344) | |
| Compensated Absences | <u>(45,600)</u> | (18,626,630) |

Some liabilities including net pension obligations and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

| | | |
|---------------------------|---------------------|--------------|
| OPEB Liability - PSERS | (1,326,000) | |
| OPEB Liability - District | (2,588,551) | |
| Net Pension Liability | <u>(30,531,000)</u> | (34,445,551) |

**Riverview School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2019**

Exhibit 4

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.

| | | |
|--|-------------|---------------------|
| Deferred Outflows of Resources Related to Pensions | 5,736,677 | |
| Deferred Inflows of Resources Related to Pensions | (3,570,000) | |
| Deferred Outflows of Resources Related to OPEB - PSERS | 180,309 | |
| Deferred Inflows of Resources Related to OPEB - PSERS | (211,000) | |
| Deferred Inflows of Resources Related to OPEB - District | (333,777) | |
| | 1,802,209 | 1,802,209 |
| Total Net Position - Governmental Activities | | \$ (21,237,966) |

See Accompanying Notes

**Riverview School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019**

Exhibit 5

| | General Fund | Capital Projects Fund | Total Governmental Funds |
|--|---------------------|-----------------------------|--------------------------------|
| Revenues | | | |
| Local Sources | \$ 16,562,442 | \$ 75,201 | \$ 16,637,643 |
| State Sources | 6,522,352 | - | 6,522,352 |
| Federal Sources | 332,711 | - | 332,711 |
| | <hr/> | <hr/> | <hr/> |
| Total Revenues | 23,417,505 | 75,201 | 23,492,706 |
| | <hr/> | <hr/> | <hr/> |
| Expenditures | | | |
| Instruction | 12,392,316 | - | 12,392,316 |
| Support Services | 7,606,452 | 7,139 | 7,613,591 |
| Noninstructional Services | 752,539 | - | 752,539 |
| Capital Outlay | 9,298 | 2,221,938 | 2,231,236 |
| Debt Service (Principal & Interest) | 1,359,283 | - | 1,359,283 |
| Refunds of Prior Year's Receipts | 95,665 | - | 95,665 |
| | <hr/> | <hr/> | <hr/> |
| Total Expenditures | 22,215,553 | 2,229,077 | 24,444,630 |
| | <hr/> | <hr/> | <hr/> |
| Excess (Deficiency) of Revenues Over Expenditures | 1,201,952 | (2,153,876) | (951,924) |
| | <hr/> | <hr/> | <hr/> |
| Other Financing Sources (Uses) | | | |
| Transfers In | - | 5,700 | 5,700 |
| Transfers Out | (27,552) | - | (27,552) |
| | <hr/> | <hr/> | <hr/> |
| Total Other Financing Sources (Uses) | (27,552) | 5,700 | (21,852) |
| | <hr/> | <hr/> | <hr/> |
| Net Changes in Fund Balances | 1,174,400 | (2,148,176) | (973,776) |
| | <hr/> | <hr/> | <hr/> |
| Fund Balances - July 1, 2018 | 4,068,775 | 7,175,708 | 11,244,483 |
| | <hr/> | <hr/> | <hr/> |
| Fund Balances - June 30, 2019 | <u>\$ 5,243,175</u> | <u>\$ 5,027,532</u> | <u>\$ 10,270,707</u> |

See Accompanying Notes

**Riverview School District
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures
 and Changes in Fund Balances
 to the Statement of Activities
 Year Ended June 30, 2019**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ (973,776)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

| | | |
|----------------------|----------------|-----------|
| Depreciation Expense | \$ (727,982) | |
| Capital Outlays | 1,859,068 | |
| Loss on Disposal | <u>(2,582)</u> | 1,128,504 |

Because some property taxes and other revenues will not be collected within the current financial resources measurement focus period, they are not considered as "available" revenues in the governmental funds. Unavailable revenues increased by this amount this year. 216,367

Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 885,333

In the statement of activities, certain operating expenses-compensated absences (sick pay and vacations) and other post-employment benefits (OPEB) are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

| | | |
|---|-----------------|----------|
| Compensated Absences | (8,620) | |
| Termination Payments | 4,555 | |
| Other Post-Employment Benefits - PSERS | 26,513 | |
| Other Post-Employment Benefits - District | <u>(44,301)</u> | (21,853) |

**Riverview School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2019**

Exhibit 6

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

| | | |
|---|--|----------|
| Net Change in Accrued Interest on Bonds | | (34,889) |
|---|--|----------|

Bond discount, premium and deferred charges are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement activities.

| | | |
|---|--|----------|
| Amortization of Discount, Premium and Deferred Loss on Refunding | | (43,144) |
|---|--|----------|

Governmental funds report School District pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned is reported as pension expense.

| | | | |
|---|--------------------|----------------|--|
| District Pension Contributions to PSERS | 2,999,922 | | |
| Cost of Benefits Earned | <u>(2,620,587)</u> | <u>379,335</u> | |

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ 1,535,877</u></u> |
|---|--|----------------------------|

See Accompanying Notes

**Riverview School District
Statement of Net Position
Proprietary Funds
June 30, 2019**

Exhibit 7

| | Food Service Fund |
|------------------------------|--------------------------|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 39,076 |
| Due From Other Governments | 33,862 |
| Other Receivables | 8,106 |
| Inventories | <u>13,267</u> |
| Total Current Assets | <u>94,311</u> |
| Noncurrent Assets | |
| Furniture and Equipment, Net | <u>47,028</u> |
| TOTAL ASSETS | <u><u>141,339</u></u> |
| LIABILITIES | |
| Due to Other Funds | 1,227 |
| Accounts Payable | 11,565 |
| Unearned Revenues | <u>3,491</u> |
| TOTAL LIABILITIES | <u>16,283</u> |
| NET POSITION | |
| Invested in Capital Assets | 47,028 |
| Unrestricted | <u>78,028</u> |
| TOTAL NET POSITION | <u><u>\$ 125,056</u></u> |

See Accompanying Notes

Riverview School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2019

Exhibit 8

| | Food Service Fund |
|--|-------------------------|
| Operating Revenues | |
| Food Service Revenue | \$ 329,616 |
| Operating Expenses | |
| Other Purchased Services | 579,712 |
| Supplies | 44,159 |
| Depreciation | 8,657 |
| Dues and Fees | 602 |
| Other Operating Expenditures | 1,293 |
| Total Operating Expenses | 634,423 |
| Operating Income (Loss) | (304,807) |
| Nonoperating Revenues (Expenses) | |
| Earnings on Investments | 31 |
| State Sources | 25,150 |
| Federal Sources | 259,803 |
| Total Nonoperating Revenues (Expenses) | 284,984 |
| Income (Loss) Before Transfers | (19,823) |
| Transfers In (Out) | 20,000 |
| Change in Net Position | 177 |
| Net Position - July 1, 2018 | 124,879 |
| Net Position - June 30, 2019 | \$ 125,056 |

See Accompanying Notes

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019**

Exhibit 9

| | Food Service Fund |
|--|-------------------------|
| Cash Flows From Operating Activities | |
| Cash Received from Users | \$ 321,790 |
| Cash Payments to Suppliers for Goods and Services | (580,871) |
| Cash Payments for Other Operating Expenses | <u>(1,895)</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>(260,976)</u> |
| Cash Flows From Non-Capital Financing Activities | |
| State Sources | 24,829 |
| Federal Sources | 213,686 |
| Operating Transfers In (Out) | <u>20,000</u> |
| Net Cash Provided by (Used for) Non-Capital Financing Activities | <u>258,515</u> |
| Cash Flows From Capital and Related Financing Activities | |
| Facilities Acquisition/Const./Imp.Serv | <u>(3,578)</u> |
| Cash Flows From Investing Activities | |
| Earnings on Investments | <u>31</u> |
| Net Increase (Decrease) in Cash and Cash Flows | (6,008) |
| Cash and Cash Equivalents - July 1, 2018 | <u>45,084</u> |
| Cash and Cash Equivalents - June 30, 2019 | <u><u>\$ 39,076</u></u> |

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019**

Exhibit 9

| | | Food Service Fund |
|---|-----------|-------------------------|
| Operating Income (Loss) | \$ | (304,807) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | | |
| Depreciation | | 8,657 |
| Donated Commodities | | 42,173 |
| (Increase) Decrease in Accounts Receivable | | (8,106) |
| (Increase) Decrease in Inventories | | 2,311 |
| Increase (Decrease) in Accounts Payable | | (1,484) |
| Increase (Decrease) in Deferred Revenue | | <u>280</u> |
| Total Adjustments | | <u>43,831</u> |
| Cash Provided by (Used for) Operating Activities | <u>\$</u> | <u>(260,976)</u> |

Noncash Non-Capital Financing Activities

During the year ended June 30, 2019, the School District received \$38,301 of U.S.D.A Donated Commodities in the food service fund.

See Accompanying Notes

**Riverview School District
Statement of Net Position
Fiduciary Funds
June 30, 2019**

Exhibit 10

| | Private Purpose Trust | Agency Fund |
|-----------------------------|--------------------------|----------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 68,027 | \$ 42,737 |
| LIABILITIES | | |
| Other Current Liabilities | - | 42,737 |
| NET POSITION | | |
| Restricted for Scholarships | \$ 68,027 | \$ - |

See Accompanying Notes

**Riverview School District
Statement of Change in Net Position
Fiduciary Funds
Year Ended June 30, 2019**

Exhibit 11

| | Private Purpose Trust |
|------------------------------|--------------------------|
| Additions | |
| Interest | \$ <u>75</u> |
| Deductions | |
| Scholarships Awarded | <u>8,146</u> |
| Change in Net Position | (8,071) |
| Net Position - July 1, 2018 | <u>76,098</u> |
| Net Position - June 30, 2019 | <u><u>\$ 68,027</u></u> |

See Accompanying Notes

Riverview School District
Notes to Financial Statements
June 30, 2019

Note 1 - Summary of Significant Accounting Policies

Riverview School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Boroughs of Oakmont and Verona. The School District operates under a nine-person elected Board of Directors.

A. Basic Financial Statements - Government-Wide Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Riverview School District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide statement of net position, governmental activities are represented on a consolidated basis by column.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental; proprietary, and fiduciary.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized in a single column. The nonmajor funds are combined in a column in the fund financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The School District reports the following major governmental funds and fund types:

Riverview School District
Notes to Financial Statements
June 30, 2019

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities or equipment (other than those financed by proprietary funds).

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The School District reports the following proprietary fund type:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The *food service fund* accounts for the revenues, food purchases and other costs and expenses for providing meals to students and/or faculty during the school year.

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and are therefore not available to support School District programs. The reporting focus is on net position and changes in net position. The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose, or agency). The School District reports the following fiduciary fund types:

The *private purpose trust fund* is used to account for resources of monies contributed to the School District for scholarships.

The *agency fund* represents the School District's student activity funds. These funds account for student activities in the high school.

Fiduciary funds are not incorporated into the government-wide financial statements.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Riverview School District
Notes to Financial Statements
June 30, 2019

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of any uncollectible amounts, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes levied but collected beyond 60 days after year end are recorded as unearned revenue to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues (state and federal sources), the legal and contractual requirements of the individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the School District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure. All other revenue items are considered to be measurable and available only when cash is received by the government.

D. Joint Ventures

The School District is one of nine member school districts of the Forbes Road Career & Technology Center (FRCTC). FRCTC provides vocational and technical education to participating students of the member districts. FRCTC is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Direct oversight of FRCTC's operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of FRCTC.

Riverview School District
Notes to Financial Statements
June 30, 2019

The School District's share of annual operating and capital costs for FRCTC fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation to FRCTC for the year ended June 30, 2019 was \$200,969 which has been reported in the School District's general fund. The School District has no equity interest in FRCTC as of June 30, 2019. Complete financial statements for FRCTC can be obtained from the administrative offices at 607 Beatty Road; Monroeville, PA 15146.

The School District is also one of eight member school districts of the Eastern Area Special Schools (Eastern). Eastern provides education to participating students of the member districts. Eastern is controlled and governed by the Joint Board, which is composed of all the school board members of all of the member districts. Direct oversight of Eastern operations is the responsibility of the Joint Committee, which consists of one representative from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Eastern. The School District's share of annual operating costs for Eastern fluctuates, based on the market value of each member district. The School District's financial obligation to Eastern for the year ended June 30, 2019 was \$4,126 which has been reported in the School District's general fund. The School District has no equity interest in Eastern as of June 30, 2019. Complete financial statements for Eastern can be obtained from the administrative offices, 550 Aura Drive, Monroeville, PA 15146.

E. Cash and Cash Equivalents

The School District's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. The market values of the funds approximate cost. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are stated at fair value except that treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices. Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the School District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: United States Treasury Bills; short-term obligations of the United States Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the FDIC; obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America and the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. There were no supplemental budgetary appropriations made during the year ended June 30, 2019.

Riverview School District
Notes to Financial Statements
June 30, 2019

The final budget data reflected in the financial statements includes the effect of approved budget transfers and, for comparative purposes, the actual amounts have also been presented. The School District expenditures may not legally exceed the revised budget amounts by function and object. Function is defined as a program area such as instructional services and object is defined as the nature of the expenditure, such as salaries or supplies. Amendments require Board approval.

H. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

I. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The inventories in the general fund are equally offset by a fund balance reserve which indicates they do not constitute “available spendable resources” even though they are a component of net current assets. There was no material inventory balance as of June 30, 2019.

The inventory of the food service fund consists of food supplies and government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2019 are reported as unearned revenue.

J. Prepaid Items

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

K. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**Riverview School District
Notes to Financial Statements
June 30, 2019**

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------|-------|
| Buildings | 50 |
| Building Improvements | 20-50 |
| Land Improvements | 20 |
| Furniture | 20 |
| Vehicles | 8 |
| Equipment | 5-15 |
| Computers | 5 |

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 12 years.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discount are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discount during the current period. The face amount of debt issued is reported as other financing sources while discount on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

The School District's policies regarding compensated absences vary by contract. Act 93 administrative employees only may accumulate sick days which they are paid for upon retirement.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two in the government-wide statement of net position is related to the participation in the cost sharing defined benefit pension and other post-employment benefit plan.

Riverview School District
Notes to Financial Statements
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has three items reported in the government-wide statement of net position relating to the cost sharing defined benefit pension plan and other post-employment benefit plans. The School District has only one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

O. Defining Operating Revenues and Expenses

The School District's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the School District's food service fund consist of charges for meals and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

P. Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the School District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the School District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned fund balances.

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

R. Equity Classifications

Government-Wide Statements

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

Net investment in capital assets - 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 borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Riverview School District
Notes to Financial Statements
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Restricted net position - consists of net position 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.

Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the School District classifies governmental fund balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the School District's highest level of authority, school board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. Fund balance may be assigned by the superintendent or director of finance and operations.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The purposes of the fund balance classification as of June 30, 2019, are as follows:

1. The nonspendable fund balance in the general fund of \$195,552 is for prepaid items.
2. The restricted funds in the capital projects fund of \$4,506,863 are for the School District-wide improvement project.
3. The committed fund balance in the capital projects fund of \$520,669 is for future capital projects and improvements.
4. The committed fund balance in the general fund of \$2,778,892 is for capital projects, capital improvements and retirement contributions.
5. The assigned fund balance in the general fund of \$489,283 is for future capital improvements and any unanticipated expenditures.

Riverview School District
Notes to Financial Statements
June 30, 2019

Note 2 - Restatement of Beginning Net Position

Riverview School District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, as of July 1, 2016 for the District-Wide OPEB Plan. As of July 1, 2018, the beginning net position was restated to properly correct the liability and related deferred outflows and inflows in relation to the PSERS Other Post-Employment Benefit Plan. The result of the restatement is summarized below.

| | Governmental Activities |
|--|----------------------------|
| Net Position, July 1, 2018 (Previously Reported) | \$ (21,390,639) |
| Adjustment to properly state the liability of employers for defined benefit other post-employment benefit plans, measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the OPEB Plan's fiduciary net position. | <u>(1,383,204)</u> |
| Restated Net Position, July 1, 2018 | <u>\$ (22,773,843)</u> |

Note 3 - Deposits and Investments

The deposit and investment policy of the School District adheres to state statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2019, \$2,118,135 of the School District's bank balance of \$7,760,135 was exposed to custodial credit risk as follows:

| | |
|--|--------------------|
| Uninsured and Collateral Held by Pledging | |
| Bank's Agent not in the School District's Name | <u>\$2,118,135</u> |

As of June 30, 2019, the School District had the following investments:

| Investments | Fair Value |
|-------------|--------------------|
| PSDLAF | <u>\$4,510,482</u> |

Riverview School District
Notes to Financial Statements
June 30, 2019

Interest Rate Risk - The School 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.

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices. The School District's investments in Pennsylvania Local Government Investment Trust were rated AAAM by Standard & Poor's.

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issue.

Investments

The Pennsylvania School District Liquid Asset Fund (PSDLAF) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the fund is to enable such governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

PLGIT is governed by an elected board of trustees who are responsible for the overall management of the fund. The trustees are elected from the several classes of local governments participating in the fund. The fund is audited annually by independent auditors. The fund is a local government investment pool and is exempt from the requirements of SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund measures for financial reporting purposes its assets at amortized cost and maintains a stable net asset value of \$1 per share. Accordingly, the fair value of the position in PLGIT is the same as the value of PLGIT shares. There are no limitations or restrictions on withdrawals.

Note 4 - Real Estate Taxes

The municipal tax collectors bill and collect real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2018/2019 was 23.007 mills (\$23.01 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2018/2019 is as follows:

| | |
|---------------------|--------------------------------|
| Tax Levy Date | July 1, 2018 |
| 2% Discount Period | Through August 31, 2018 |
| Face Payment Period | September 1 - October 31, 2018 |
| 10% Penalty Period | November 1 Until Liened |
| Lien Filing Date | July 1, 2019 |

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as unearned revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$1,874,801 net of estimated uncollectible amounts, along with other taxes receivable of \$409,983.

Riverview School District
Notes to Financial Statements
June 30, 2019

Note 5 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2019, the following amounts are due from other governmental units:

| | Governmental Funds | Business-Type Activities | Totals |
|-----------------------------|-----------------------|-----------------------------|-------------------|
| Federal (through the state) | \$ 68,866 | \$ 31,634 | \$ 100,500 |
| State | <u>740,069</u> | <u>2,228</u> | <u>742,297</u> |
| | <u>\$ 808,935</u> | <u>\$ 33,862</u> | <u>\$ 842,797</u> |

Note 6 - Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

| | Balance 07/01/18 | Additions | Disposals | Balance 06/30/19 |
|---|----------------------|---------------------|-------------------|----------------------|
| Governmental Activities | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 233,521 | \$ - | \$ - | \$ 233,521 |
| Construction in Progress | <u>-</u> | <u>402,037</u> | <u>-</u> | <u>402,037</u> |
| Total Capital Assets not Being Depreciated | <u>233,521</u> | <u>402,037</u> | <u>-</u> | <u>635,558</u> |
| Capital Assets Being Depreciated | | | | |
| Land Improvements | 258,715 | - | - | 258,715 |
| Buildings and Building Improv. | 25,175,773 | 1,402,260 | - | 26,578,033 |
| Furniture and Equipment | <u>2,453,856</u> | <u>54,771</u> | <u>(12,390)</u> | <u>2,496,237</u> |
| Total Capital Assets Being Depreciated | <u>27,888,344</u> | <u>1,457,031</u> | <u>(12,390)</u> | <u>29,332,985</u> |
| Less Accumulated Depreciation | | | | |
| Land Improvements | 163,975 | - | - | 163,975 |
| Buildings and Building Improv. | 9,285,863 | 562,048 | - | 9,847,911 |
| Furniture and Equipment | <u>2,301,372</u> | <u>165,934</u> | <u>(9,808)</u> | <u>2,457,498</u> |
| Total Accumulated Depreciation | <u>11,751,210</u> | <u>727,982</u> | <u>(9,808)</u> | <u>12,469,384</u> |
| Total Capital Assets Being Depreciated, Net | <u>16,137,134</u> | <u>729,049</u> | <u>(2,582)</u> | <u>16,863,601</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 16,370,655</u> | <u>\$ 1,131,086</u> | <u>\$ (2,582)</u> | <u>\$ 17,499,159</u> |

Riverview School District
Notes to Financial Statements
June 30, 2019

| | Balance 07/01/18 | Additions | Disposals | Balance 06/30/19 |
|--|---------------------|------------|-----------|---------------------|
| Business-Type Activities | | | | |
| Furniture and Equipment | \$ 306,129 | \$ 3,578 | \$ - | \$ 309,707 |
| Less Accumulated Depreciation and Equipment | 254,022 | 8,657 | - | 262,679 |
| Business-Type Activities Capital Assets, Net | \$ 52,107 | \$ (5,079) | \$ - | \$ 47,028 |

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

| | |
|---|------------|
| Instruction | \$ 493,939 |
| Instructional Student Support | 106,479 |
| Administration and Financial Support Services | 29,108 |
| Operation and Maintenance of Plant Services | 33,782 |
| Student Activities | 64,674 |

Total Depreciation Expense \$ 727,982

Business-Type Activities - Food Service \$ 8,657

Note 7 - Interfund Balances/Transfers

At June 30, 2019, interfund balances were:

| Fund | Interfund Receivable | Interfund Payable |
|------------------|-------------------------|----------------------|
| General Fund | \$ 1,227 | \$ - |
| Proprietary Fund | | |
| Food Service | - | 1,227 |
| | \$ 1,227 | \$ 1,227 |

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

Riverview School District
Notes to Financial Statements
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For the year ended June 30, 2019, interfund transfers consisted of \$1,852 from the general fund to the activities fund to support the musical and the yearbook, \$20,000 from the general fund to the food service fund to support operations and \$5,700 from the general fund to the capital projects fund to support capital improvements.

Note 8 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2019 was as follows:

| | Balance 07/01/18 | Additions | Reductions | Balance 06/30/19 | Due Within One Year |
|-------------------------------|----------------------|------------------|-------------------|----------------------|------------------------|
| Governmental Activities | | | | | |
| Bonds Payable | | | | | |
| General Obligation Bonds | \$ 19,230,000 | \$ - | \$ 865,000 | \$ 18,365,000 | \$ 890,000 |
| Plus: Bond Premium | 21,269 | - | 2,385 | 18,884 | - |
| Less: Bond Discount | (93,563) | - | (5,494) | (88,069) | - |
| | <u>19,157,706</u> | <u>-</u> | <u>861,891</u> | <u>18,295,815</u> | <u>890,000</u> |
| Total Bonds Payable | | | | | |
| Notes Payable | 40,665 | - | 20,333 | 20,332 | 20,332 |
| Early Retire. Incentive Pmts. | 12,899 | - | 4,555 | 8,344 | 4,785 |
| Compensated Absences | 36,980 | 12,200 | 3,580 | 45,600 | - |
| | <u>36,980</u> | <u>12,200</u> | <u>3,580</u> | <u>45,600</u> | <u>-</u> |
| Governmental Activities | | | | | |
| Long-Term Liabilities | <u>\$ 19,248,250</u> | <u>\$ 12,200</u> | <u>\$ 890,359</u> | <u>\$ 18,370,091</u> | <u>\$ 915,117</u> |

General Obligation Bonds

| | |
|---|----------------------|
| Refunding Series of 2010B - \$1,235,000 - due serially each year through March 1, 2028, interest at 0.75% - 4.0%. | \$ 580,000 |
| Refunding Series of 2015A - \$9,035,000 - due serially each year through June 30, 2027, interest at 0.3% - 2.5%. | 7,515,000 |
| Series of 2015B - \$3,085,000 - due serially each year through June 30, 2032, interest at 2.15% - 3.35%. | 3,070,000 |
| Refunding Series of 2018 - \$7,200,000 - due serially each year through March 1, 2038, interest at 2.5% - 3.5%. | <u>7,200,000</u> |
| | <u>\$ 18,365,000</u> |

**Riverview School District
Notes to Financial Statements
June 30, 2019**

General Obligation Note

Note payable - \$101,667 due monthly through June 2020,
interest at 0.00%.

\$ 20,332

The debt service source for the above debt is the general fund.

The annual requirements of School District funds to amortize all debt outstanding as of June 30, 2019, are as follows:

| Year Ended June 30, | General Obligation Bonds | | General Obligation Notes | | Totals |
|------------------------|-----------------------------------|---------------------|--------------------------|-------------|----------------------|
| | Principal (On Issuance Amount) | Interest | Principal | Interest | |
| 2020 | \$ 890,000 | \$ 520,673 | \$ 20,332 | \$ - | \$ 1,431,005 |
| 2021 | 910,000 | 502,568 | - | - | 1,412,568 |
| 2022 | 925,000 | 484,113 | - | - | 1,409,113 |
| 2023 | 940,000 | 465,336 | - | - | 1,405,336 |
| 2024 | 960,000 | 445,571 | - | - | 1,405,571 |
| 2025-2029 | 4,725,000 | 1,880,716 | - | - | 6,605,716 |
| 2030-2034 | 4,790,000 | 1,189,372 | - | - | 5,979,372 |
| 2035-2038 | 4,225,000 | 365,925 | - | - | 4,590,925 |
| | <u>\$ 18,365,000</u> | <u>\$ 5,854,274</u> | <u>\$ 20,332</u> | <u>\$ -</u> | <u>\$ 24,239,606</u> |

As part of the School District's food service management company contract renewal, the vendor purchased equipment on the School District's behalf. The purchase of the equipment constituted an agreement to repay the cost of the equipment over the anticipated life of the contract, in which the School District estimates at five years. The cost of the equipment purchased and the amount of the note was \$101,667, with the first of 60 payments of \$1,694 due July 2015. The note bears no interest.

Note 9 – Termination Payments

The early retirement incentive program is offered to Act 93 administrators on an individual basis at the Board of Education's discretion. Scheduled payments to retired administrators in excess of one year are accrued at a discount rate of 3.0%. The discounted present value of Act 93 early retirement incentive payments was \$8,344 at June 30, 2019.

In the statement of activities, termination benefits are measured by the amounts earned during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.

Riverview School District
Notes to Financial Statements
June 30, 2019

Note 10 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

B. General Information about the Pension Plan

1. Plan Description

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

2. Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Riverview School District
Notes to Financial Statements
June 30, 2019

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

3. Contributions

Member Contributions

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2019 was 32.60% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$2,999,922 for the year ended June 30, 2019.

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the School District reported a liability of \$30,531,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2017 to June 30, 2018. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the School District's proportion was 0.0636%, which was a decrease of 0.0088% from its proportion measured as of June 30, 2018.

Riverview School District
Notes to Financial Statements
June 30, 2019

For the year ended June 30, 2019, the School District recognized pension expense of \$2,620,587. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 246,000 | \$ 473,000 |
| Net difference between projected and actual investment earnings | 150,000 | - |
| Change in assumptions | 569,000 | - |
| Changes in proportions | 1,545,000 | 3,097,000 |
| Difference between employer contributions and proportionate share of total contributions | 226,755 | - |
| Contributions subsequent to the measurement date | <u>2,999,922</u> | <u>-</u> |
| | <u><u>\$ 5,736,677</u></u> | <u><u>\$ 3,570,000</u></u> |

\$2,999,922 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | |
|------------------------|----------------------------|
| 2020 | \$ 289,255 |
| 2021 | (151,711) |
| 2022 | (908,176) |
| 2023 | <u>(62,613)</u> |
| | <u><u>\$ (833,245)</u></u> |

1. Actuarial Assumptions

The total pension liability as of June 30, 2018 was determined by rolling forward the System's total pension liability at June 30, 2017 to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.25%, includes inflation at 2.75%.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Riverview School District
Notes to Financial Statements
June 30, 2019

- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status of the benefits provided through the pension.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|----------------------|--|
| Global public equity | 20.0% | 5.2% |
| Fixed Income | 36.0% | 2.2% |
| Commodities | 8.0% | 3.2% |
| Absolute return | 10.0% | 3.5% |
| Risk parity | 10.0% | 3.9% |
| Infrastructure/MLPs | 8.0% | 5.2% |
| Real estate | 10.0% | 4.2% |
| Alternative investments | 15.0% | 6.7% |
| Cash | 3.0% | 0.4% |
| Financing (LIBOR) | <u>-20.0%</u> | 0.9% |
| | <u>100%</u> | |

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

2. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Riverview School District
Notes to Financial Statements
June 30, 2019**

3. Sensitivity of School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

| | (In Thousands) | | |
|--|-------------------|--------------------------|-------------------|
| | 1.00% Decrease | Current Discount Rate | 1.00% Increase |
| | 6.25% | 7.25% | 8.25% |
| School District's proportionate share of the net pension liability | \$ 37,846 | \$ 30,531 | \$ 24,347 |

4. Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Note 11 - Other Post-Employment Benefit Plan

A. Plan Description

Riverview School District administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical, and in some cases dental and vision, for three groups of employees: teachers; administrators; and the superintendent. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report.

The eligibility and the benefits for each group is as follows:

1) Teachers

Eligibility - Employee may retire after age 51 with at least 25 years of service with Riverview School District (including prior experience at both Verona and Oakmont School Districts) and at least 30 years of service in PSERS. Those employees receiving permanent disability retirement benefits are not eligible.

Persons Covered - Employee and Spouse

Benefits Provided - The School District will provide up to \$5,000 per year for 8 years, or \$4,000 for 10 years to purchase health, dental, vision and life insurance for the retired employee and their spouse offered through the School District's health care or life insurance programs for active employees. In the event that the retired employee dies within the 8 or 10-year period, then all future benefits will cease and the School District will have no future obligation.

Opt Out - If the retired employee elects to forgo the above health care benefits, the employee will be paid the sum of \$1,600 annually for 10 years.

**Riverview School District
Notes to Financial Statements
June 30, 2019**

At July 1, 2018, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 12 |
| Active employees | <u>99</u> |
| | <u><u>111</u></u> |

2) Act 93 Administrators/Non-Act 93 Administrators

The School Board negotiates, on an individual basis, retirement incentives, if any, with members of the administrative group.

3) Superintendent

Eligibility - Upon retirement, with at least 8 years of service with the School District.

Persons Covered - Employee and Spouse

Benefits Provided - The School District will provide no less than \$8,000 annually into a premium-only FSA to help defray the cost of continuation on the School District's healthcare plan until the Superintendent becomes eligible for Medicare.

B. Total OPEB Liability

The School District's total OPEB liability of \$2,588,551 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

C. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|------------------------------------|
| Inflation | 2.75% |
| Discount Rate | 3.50% |
| Healthcare Cost Trend Rates | 1.90% in 2018/19 increase to 5.00% |

The discount rate was based on the Bond Buyers 20-Bond Index.

Mortality rates were based on the RP-2014 Combined Mortality Table.

The actuarial assumptions used in the July 1, 2018 valuation were selected using input from the School District based upon actual experience.

**Riverview School District
Notes to Financial Statements
June 30, 2019**

D. Change in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balance at June 30, 2018 | \$ 2,878,027 |
| Changes for the year: | |
| Service Cost | 102,800 |
| Interest | 89,265 |
| Changes of assumptions or other inputs | (243,818) |
| Differences between expected & actual experience | (136,317) |
| Benefit Payments | <u>(101,406)</u> |
| Net Changes | <u>(289,476)</u> |
| Balance at June 30, 2019 | <u>\$ 2,588,551</u> |

E. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current discount rate:

| | 1.00% Decrease 2.50% | Current Discount Rate 3.50% | 1.00% Increase 4.50% |
|----------------------|----------------------------|-----------------------------------|----------------------------|
| Total OPEB Liability | \$ 2,830,167 | \$ 2,588,551 | \$ 2,367,635 |

F. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or a 1-percentage point higher than the current healthcare cost trend rates:

| | 1.00% Decrease | Healthcare Cost Trend Rates | 1.00% Increase |
|----------------------|-------------------|--------------------------------|-------------------|
| Total OPEB Liability | \$ 2,415,997 | \$ 2,588,551 | \$ 2,790,409 |

Riverview School District
Notes to Financial Statements
June 30, 2019

G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the School District recognized OPEB expense of \$44,301. At June 30, 2019, the School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Change in assumptions | \$ - | \$ 214,084 |
| Differences between expected and actual experience | - | 119,693 |
| | <u>\$ -</u> | <u>\$ 333,777</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|---------------------|
| 2020 | \$ (46,358) |
| 2021 | (46,358) |
| 2022 | (46,358) |
| 2023 | (46,358) |
| 2024 | (46,358) |
| Thereafter | <u>(101,987)</u> |
| | <u>\$ (333,777)</u> |

Note 12 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Riverview School District
Notes to Financial Statements
June 30, 2019

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees.

2. Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program

3. Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

4. Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2019 was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$76,378 for the year ended June 30, 2019.

Riverview School District
Notes to Financial Statements
June 30, 2019

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the School District reported a liability of \$1,326,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2017 to June 30, 2018. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the School District's proportion was 0.0636%, which was a decrease of 0.0088% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the School District recognized OPEB expense of \$26,513. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 8,000 | \$ - |
| Changes in assumptions | 21,000 | 50,000 |
| Net difference between projected and actual investment earnings | 2,000 | - |
| Changes in proportions | 69,000 | 161,000 |
| Difference between employer contributions and proportionate share of total contributions | 3,931 | - |
| Contributions subsequent to the measurement date | <u>76,378</u> | <u>-</u> |
| | <u>\$ 180,309</u> | <u>\$ 211,000</u> |

\$76,378 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|---------------------|
| 2020 | \$ (16,135) |
| 2021 | (16,135) |
| 2022 | (16,135) |
| 2023 | (16,664) |
| 2024 | (18,000) |
| Thereafter | <u>(24,000)</u> |
| | <u>\$ (107,069)</u> |

Riverview School District
Notes to Financial Statements
June 30, 2019

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2018 was determined by rolling forward the System's total OPEB liability at June 30, 2017 to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 2.98%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2018.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

Riverview School District
Notes to Financial Statements
June 30, 2019

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|----------------------|--|
| Cash | 5.9% | 0.03% |
| US Core Fixed Income | 92.8% | 1.20% |
| Non-US Developed Fixed | <u>1.3%</u> | 0.04% |
| | <u>100%</u> | |

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.98%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 2.98% which represents the S&P 20-year Municipal Bond Rate at June 30, 2018, was applied to all projected benefit payments to measure the total OPEB liability.

3. Sensitivity of System Net OPEB Liability to Change in the Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2018, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2017, 93,380 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2017, 1,077 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

| | (In Thousands) | | |
|---------------------------|-------------------|----------|-------------------|
| | 1.00% Decrease | Current | 1.00% Increase |
| System net OPEB Liability | \$ 1,326 | \$ 1,326 | \$ 1,326 |

**Riverview School District
Notes to Financial Statements
June 30, 2019**

4. Sensitivity of School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 2.98%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.98%) or 1 percentage point higher (3.98%) than the current rate:

| | (In Thousands) | | |
|---|-------------------|--------------------------|-------------------|
| | 1.00% Decrease | Current Discount Rate | 1.00% Increase |
| | 1.98% | 2.98% | 3.98% |
| School District's proportionate share of the net OPEB liability | \$ 1,508 | \$ 1,326 | \$ 1,175 |

5. OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Note 13 - Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$2,304,386 and \$2,370,361 for the years ended June 30, 2019 and 2018, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2019, the net position of the Consortium was \$62,172,279 of which \$525,653 is attributable to the School District.

The School District participates in an insurance program offered by a commercial insurance company. It purchases commercial insurance policies for risks of losses for casualty, workmen's compensation and liability claims.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Riverview School District
Notes to Financial Statements
June 30, 2019

Note 14 - On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2019, was \$1,874,454.

This includes \$1,535,410 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$339,044 to the federal government for social security and Medicare taxes for the year ended June 30, 2019. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 15 – Operating Lease

The School District leases seven copier machines under operating leases. For the year ended June 30, 2019, total lease payments made under these operating leases were \$18,696. The lease has been paid in full during the year ended June 30, 2019.

Note 16 – Construction Commitment

As of June 30, 2019, the School District had construction commitments of approximately \$3,520,832 for capital improvements. It is anticipated these projects will be completed in the 2019/2020 school year.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Local Sources | | | | |
| Taxes | | | | |
| Current Real Estate Taxes | \$ 13,235,462 | \$ 13,235,462 | \$ 13,558,140 | \$ 322,678 |
| Public Utility Realty Taxes | 15,500 | 15,500 | 15,461 | (39) |
| Local Services Taxes | 23,000 | 23,000 | 27,212 | 4,212 |
| Earned Income Taxes | 1,141,000 | 1,141,000 | 1,165,442 | 24,442 |
| Real Estate Transfer Taxes | 200,000 | 200,000 | 236,826 | 36,826 |
| Delinquencies on Taxes | 1,210,000 | 1,210,000 | 1,207,078 | (2,922) |
| Earnings on Investments | 21,000 | 21,000 | 113,130 | 92,130 |
| Other Local Revenues | | | | |
| Revenue from Student Activities | 15,000 | 15,000 | 21,205 | 6,205 |
| Federal Revenues from IU | 177,030 | 177,030 | 185,157 | 8,127 |
| Contributions & Donations from Private Sources | - | - | 14,388 | 14,388 |
| Rentals | 10,000 | 10,000 | 8,160 | (1,840) |
| Refund of Prior Years Expenditures | 20,000 | 20,000 | 583 | (19,417) |
| Miscellaneous Revenue | 65,000 | 65,000 | 9,660 | (55,340) |
| Total Revenues from Local Sources | 16,132,992 | 16,132,992 | 16,562,442 | 429,450 |
| State Sources | | | | |
| Basic Instructional & Oper. Subsidies | | | | |
| Basic Instructional Subsidy | 3,034,126 | 3,034,126 | 3,032,155 | (1,971) |
| Subsidies for Spec. Educ. Programs | | | | |
| Special Education of Excep. Pupils | 679,776 | 679,776 | 678,660 | (1,116) |
| Subsidies for Noneduc. Programs | | | | |
| Transportation (Regular & Additional) | 191,000 | 191,000 | 207,397 | 16,397 |
| Rentals & Sinking Fund Payments | 196,120 | 196,120 | 193,849 | (2,271) |
| Ready to Learn Block Grant | 126,151 | 126,151 | 126,151 | - |
| Health Services | 22,000 | 22,000 | 20,740 | (1,260) |
| State Property Tax Reduction | 355,711 | 355,711 | 355,711 | - |
| Safe Schools Grant | - | - | 25,000 | 25,000 |
| Social Security Payments | 390,000 | 390,000 | 339,044 | (50,956) |
| State Retirement Revenue | 1,600,000 | 1,600,000 | 1,535,410 | (64,590) |
| Other State Revenue | - | - | 8,235 | 8,235 |
| Total Revenues from State Sources | 6,594,884 | 6,594,884 | 6,522,352 | (72,532) |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Federal Sources | | | | |
| Gov't. through the Commonwealth | | | | |
| Title I | 212,182 | 212,182 | 188,464 | (23,718) |
| Title II | 36,614 | 36,614 | 30,894 | (5,720) |
| Title III | 731 | 731 | 428 | (303) |
| Title IV | - | - | 14,491 | 14,491 |
| Medical Assistance - Access | 100,000 | 100,000 | 97,255 | (2,745) |
| Medical Assistance - Admin. | - | - | 1,179 | 1,179 |
| | <u>349,527</u> | <u>349,527</u> | <u>332,711</u> | <u>(16,816)</u> |
| Total Revenues from Federal Sources | <u>349,527</u> | <u>349,527</u> | <u>332,711</u> | <u>(16,816)</u> |
| Total Revenues | <u>23,077,403</u> | <u>23,077,403</u> | <u>23,417,505</u> | <u>340,102</u> |
| Expenditures | | | | |
| Instruction | | | | |
| Regular Programs | | | | |
| Personal Services | | | | |
| Salaries | 5,132,477 | 5,185,949 | 5,019,299 | 166,650 |
| Employee Benefits | 3,315,080 | 3,269,281 | 3,264,052 | 5,229 |
| Purchased Prof. and Tech. Services | 17,650 | 203,089 | 202,789 | 300 |
| Purchased Property Services | 4,250 | 4,250 | 1,223 | 3,027 |
| Other Purchased Services | 448,123 | 525,261 | 529,541 | (4,280) |
| Supplies | 232,150 | 176,379 | 152,584 | 23,795 |
| Property | 22,100 | 24,085 | 21,849 | 2,236 |
| Other Objects | 37,800 | 40,224 | 39,835 | 389 |
| | <u>9,209,630</u> | <u>9,428,518</u> | <u>9,231,172</u> | <u>197,346</u> |
| Total Regular Programs | <u>9,209,630</u> | <u>9,428,518</u> | <u>9,231,172</u> | <u>197,346</u> |
| Special Programs | | | | |
| Personal Services | | | | |
| Salaries | 947,507 | 955,936 | 891,796 | 64,140 |
| Employee Benefits | 597,774 | 591,569 | 554,060 | 37,509 |
| Purchased Prof. and Tech. Services | 218,580 | 289,808 | 287,099 | 2,709 |
| Other Purchased Services | 788,700 | 690,217 | 680,310 | 9,907 |
| Supplies | 11,900 | 13,346 | 4,140 | 9,206 |
| Property | 8,500 | 3,454 | 1,299 | 2,155 |
| Other Objects | 1,000 | 2,190 | 90 | 2,100 |
| | <u>2,573,961</u> | <u>2,546,520</u> | <u>2,418,794</u> | <u>127,726</u> |
| Total Special Programs | <u>2,573,961</u> | <u>2,546,520</u> | <u>2,418,794</u> | <u>127,726</u> |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-------------------|-------------------|--------------------------------|---|
| | Original | Final | | |
| Vocational Education Programs | | | | |
| Personal Services | | | | |
| Salaries | 197,535 | 204,919 | 186,694 | 18,225 |
| Employee Benefits | 142,843 | 140,780 | 124,094 | 16,686 |
| Purchased Prof. and Tech. Services | 500 | 500 | - | 500 |
| Other Purchased Services | 204,000 | 205,095 | 205,095 | - |
| Supplies | 15,600 | 17,488 | 13,633 | 3,855 |
| Property | 1,300 | 2,259 | 2,259 | - |
| Total Vocational Education Programs | <u>561,778</u> | <u>571,041</u> | <u>531,775</u> | <u>39,266</u> |
| Other Instructional Programs | | | | |
| Personal Services | | | | |
| Salaries | 10,000 | 11,548 | 8,811 | 2,737 |
| Employee Benefits | 4,015 | 13,848 | 14,913 | (1,065) |
| Other Purchased Services | 27,000 | 128,225 | 186,722 | (58,497) |
| Supplies | 500 | 500 | 129 | 371 |
| Total Other Instructional Programs | <u>41,515</u> | <u>154,121</u> | <u>210,575</u> | <u>(56,454)</u> |
| Total Instruction | <u>12,386,884</u> | <u>12,700,200</u> | <u>12,392,316</u> | <u>307,884</u> |
| Support Services | | | | |
| Pupil Personnel | | | | |
| Personal Services | | | | |
| Salaries | 306,382 | 313,905 | 313,636 | 269 |
| Employee Benefits | 203,842 | 194,005 | 201,644 | (7,639) |
| Purchased Prof. and Tech. Services | 12,000 | 11,209 | 6,225 | 4,984 |
| Other Purchased Services | 5,400 | 5,400 | 1,729 | 3,671 |
| Supplies | 6,200 | 10,533 | 6,917 | 3,616 |
| Other Objects | 3,500 | 3,500 | 179 | 3,321 |
| Total Pupil Personnel | <u>537,324</u> | <u>538,552</u> | <u>530,330</u> | <u>8,222</u> |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Instructional Staff | | | | |
| Personal Services | | | | |
| Salaries | 985,080 | 933,494 | 864,931 | 68,563 |
| Employee Benefits | 661,658 | 691,833 | 630,823 | 61,010 |
| Purchased Prof. and Tech. Services | 27,499 | 50,104 | 47,621 | 2,483 |
| Other Purchased Services | 13,250 | 8,680 | 6,845 | 1,835 |
| Supplies | 302,137 | 292,570 | 261,503 | 31,067 |
| Property | 106,000 | 84,090 | 75,897 | 8,193 |
| Other Objects | 9,100 | 7,030 | 2,724 | 4,306 |
| Total Instructional Staff | 2,104,724 | 2,067,801 | 1,890,344 | 177,457 |
| Administration | | | | |
| Personal Services | | | | |
| Salaries | 913,179 | 919,186 | 901,720 | 17,466 |
| Employee Benefits | 584,310 | 584,858 | 564,480 | 20,378 |
| Purchased Prof. and Tech. Services | 366,800 | 347,304 | 315,209 | 32,095 |
| Other Purchased Services | 56,250 | 57,307 | 41,158 | 16,149 |
| Supplies | 46,900 | 34,641 | 22,142 | 12,499 |
| Property | 3,500 | 3,500 | - | 3,500 |
| Other Objects | 23,850 | 24,640 | 19,997 | 4,643 |
| Total Administration | 1,994,789 | 1,971,436 | 1,864,706 | 106,730 |
| Pupil Health | | | | |
| Personal Services | | | | |
| Salaries | 62,532 | 65,932 | 64,932 | 1,000 |
| Employee Benefits | 85,172 | 50,740 | 43,547 | 7,193 |
| Purchased Prof. and Tech. Services | 15,750 | 25,171 | 24,020 | 1,151 |
| Other Purchased Services | 500 | 557 | 542 | 15 |
| Supplies | 4,450 | 5,795 | 4,693 | 1,102 |
| Property | 1,200 | 1,200 | - | 1,200 |
| Other Objects | 250 | 250 | - | 250 |
| Total Pupil Health | 169,854 | 149,645 | 137,734 | 11,911 |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|--------------------------------|---|
| | Original | Final | | |
| Business | | | | |
| Personal Services | | | | |
| Salaries | 225,874 | 226,288 | 225,939 | 349 |
| Employee Benefits | 148,400 | 144,519 | 143,406 | 1,113 |
| Purchased Prof. and Tech. Services | 14,000 | 2,730 | 730 | 2,000 |
| Other Purchased Services | 6,400 | 8,007 | 6,621 | 1,386 |
| Supplies | 7,000 | 9,896 | 9,896 | - |
| Other Objects | 8,000 | 8,000 | 7,423 | 577 |
| Total Business | 409,674 | 399,440 | 394,015 | 5,425 |
| Oper. and Maint. of Plant Svcs. | | | | |
| Personal Services | | | | |
| Salaries | 614,195 | 607,130 | 563,689 | 43,441 |
| Employee Benefits | 367,856 | 373,926 | 368,442 | 5,484 |
| Purchased Prof. and Tech. Services | 15,000 | 99,440 | 99,440 | - |
| Purchased Property Services | 174,300 | 239,528 | 209,561 | 29,967 |
| Other Purchased Services | 117,540 | 89,292 | 84,352 | 4,940 |
| Supplies | 371,100 | 375,789 | 340,955 | 34,834 |
| Property | 14,800 | 47,300 | 36,596 | 10,704 |
| Other Objects | - | 788 | 788 | - |
| Total Oper. and Maint. of Plant Svcs. | 1,674,791 | 1,833,193 | 1,703,823 | 129,370 |
| Student Transportation Services | | | | |
| Personal Services | | | | |
| Salaries | 1,000 | 1,000 | - | 1,000 |
| Employee Benefits | 781 | 781 | - | 781 |
| Other Purchased Services | 1,100,263 | 1,031,117 | 1,066,219 | (35,102) |
| Total Student Transportation Services | 1,102,044 | 1,032,898 | 1,066,219 | (33,321) |
| Other | | | | |
| Other Purchased Services | 20,000 | 21,281 | 19,281 | 2,000 |
| Total Support Services | 8,013,200 | 8,014,246 | 7,606,452 | 407,794 |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|------------------|----------------|--------------------------------|---|
| | Original | Final | | |
| Noninstructional Services | | | | |
| Student Activities | | | | |
| Personal Services | | | | |
| Salaries | 305,427 | 319,051 | 315,268 | 3,783 |
| Employee Benefits | 77,692 | 75,899 | 72,259 | 3,640 |
| Purchased Prof. and Tech. Services | 57,900 | 41,058 | 32,105 | 8,953 |
| Purchased Property Services | 70,200 | 116,751 | 109,189 | 7,562 |
| Other Purchased Services | 92,250 | 84,523 | 69,752 | 14,771 |
| Supplies | 19,000 | 18,299 | 16,684 | 1,615 |
| Property | 62,100 | 57,994 | 53,499 | 4,495 |
| Other Objects | 14,300 | 35,525 | 29,564 | 5,961 |
| Total Student Activities | <u>698,869</u> | <u>749,100</u> | <u>698,320</u> | <u>50,780</u> |
| Community Services | | | | |
| Personal Services | | | | |
| Salaries | 6,000 | 6,095 | 6,095 | - |
| Employee Benefits | 2,515 | 2,562 | 2,562 | - |
| Purchased Prof. and Tech. Services | 50,000 | 44,196 | 38,062 | 6,134 |
| Supplies | 8,000 | - | - | - |
| Other Objects | 11,500 | 11,500 | 7,500 | 4,000 |
| Total Community Services | <u>78,015</u> | <u>64,353</u> | <u>54,219</u> | <u>10,134</u> |
| Total Noninstructional Services | <u>776,884</u> | <u>813,453</u> | <u>752,539</u> | <u>60,914</u> |
| Facilities Acquisition, Construction and Improvement Services | | | | |
| Purchased Prof. and Tech. Services | 15,000 | 16,400 | 1,400 | 15,000 |
| Property | 7,500 | 10,398 | 7,898 | 2,500 |
| Total Facilities Acquisition, Construction and Improvement Services | <u>22,500</u> | <u>26,798</u> | <u>9,298</u> | <u>17,500</u> |

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2019**

| | Budgeted Amounts | | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|--------------------------------|---|
| | Original | Final | | |
| Debt Service | | | | |
| Interest | 528,696 | 470,950 | 470,950 | - |
| Refunds of Prior Years Receipts | - | 95,665 | 95,665 | - |
| Redemption of Principal | 950,333 | 885,333 | 885,333 | - |
| Fiscal Agent Fees | 3,000 | 3,000 | 3,000 | - |
| Total Debt Service | <u>1,482,029</u> | <u>1,454,948</u> | <u>1,454,948</u> | <u>-</u> |
| Total Expenditures | <u>22,681,497</u> | <u>23,009,645</u> | <u>22,215,553</u> | <u>794,092</u> |
| Other Financing Uses | | | | |
| Fund Transfers | | | | |
| Food Service Fund | 60,000 | 60,000 | 20,000 | 40,000 |
| Capital Projects Fund | 6,700 | 6,700 | 5,700 | 1,000 |
| Activity Fund | - | 1,852 | 1,852 | - |
| Budgetary Reserve | 330,000 | - | - | - |
| Total Other Financing Uses | <u>396,700</u> | <u>68,552</u> | <u>27,552</u> | <u>41,000</u> |
| Total Expenditures and Other Financing Uses | <u>23,078,197</u> | <u>23,078,197</u> | <u>22,243,105</u> | <u>835,092</u> |
| Net Change in Fund Balance | (794) | (794) | 1,174,400 | 1,175,194 |
| Fund Balance - July 1, 2018 | <u>4,164,371</u> | <u>4,164,371</u> | <u>4,068,775</u> | <u>(95,596)</u> |
| Fund Balance - June 30, 2019 | <u>\$ 4,163,577</u> | <u>\$ 4,163,577</u> | <u>\$ 5,243,175</u> | <u>\$ 1,079,598</u> |

Riverview School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2019

Note 1 – Budgetary Information

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

Riverview School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Four Years

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 |
|---|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 102,800 | \$ 126,685 | \$ 123,294 | \$ - |
| Interest | 89,265 | 85,752 | 83,300 | - |
| Difference Between Expected and Actual Experience | (136,317) | - | - | - |
| Changes in Assumptions and Other Inputs | (243,818) | - | - | - |
| Benefit payments | <u>(101,406)</u> | <u>(131,313)</u> | <u>(125,216)</u> | <u>-</u> |
| Net Change in Total OPEB Liability | (289,476) | 81,124 | 81,378 | - |
| Total OPEB Liability - Beginning | <u>2,878,027</u> | <u>2,796,903</u> | <u>2,715,525</u> | <u>-</u> |
| Total OPEB Liability - Ending | <u>\$ 2,588,551</u> | <u>\$ 2,878,027</u> | <u>\$ 2,796,903</u> | <u>\$ 2,715,525</u> |
| Covered-Employee Payroll | \$ 8,837,211 | \$ 8,944,863 | \$ 9,234,287 | N/A |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 29.29% | 32.18% | 30.29% | N/A |

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended June 30, 2017.

Assumption Changes:

Discount rate increased from 3.0% to 3.5%

The 2018 trend rate was lowered and updated mortality and withdrawal tables were used.

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Riverview School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Five Years**

| | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 3,003,909 | \$ 2,916,533 | \$ 2,760,552 | \$ 2,141,870 | \$ 1,707,636 |
| Contributions in Relation to the Contractually Required Contribution | <u>3,003,909</u> | <u>2,916,533</u> | <u>2,760,552</u> | <u>2,141,870</u> | <u>1,707,636</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| School District's Covered Payroll | \$ 9,175,426 | \$ 9,360,230 | \$ 9,641,969 | \$ 8,797,812 | \$ 8,671,620 |
| Contributions as a Percentage of Covered Payroll | 32.74% | 31.16% | 28.63% | 24.35% | 19.69% |

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Riverview School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net Pension Liability
PSERS
Last Six Years
(Dollar Amount in Thousands)**

| | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 | June 30, 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| School District's Proportion of the Net Pension Liability (Asset) | 0.0636% | 0.0724% | 0.0679% | 0.0669% | 0.0652% | 0.0665% |
| School District's Proportionate Share of the Net Pension Liability (Asset) | \$ 30,531 | \$ 35,757 | \$ 33,649 | \$ 28,978 | \$ 25,807 | \$ 27,223 |
| School District's Covered Payroll | \$ 9,360 | \$ 9,642 | \$ 8,798 | \$ 8,672 | \$ 8,316 | \$ 8,534 |
| School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 326.19% | 370.85% | 382.46% | 334.16% | 310.33% | 318.99% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 54.00% | 51.84% | 50.14% | 54.36% | 57.24% | 54.49% |

**Riverview School District
 Required Supplementary Information
 Schedule of School District's Contributions
 PSERS OPEB Plan
 Last Two Years**

| | June 30, 2019 | June 30, 2018 |
|---|------------------|------------------|
| Contractually Required Contribution | \$ 76,378 | \$ 77,690 |
| Contributions in Relation to the Contractually Required Contribution | <u>76,378</u> | <u>77,690</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> |
| School District's Covered Payroll | \$ 9,175,426 | \$ 9,360,230 |
| Contributions as a Percentage of Covered Payroll | 0.83% | 0.83% |

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**Riverview School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net OPEB Liability
PSERS OPEB Plan
Last Two Years
(Dollar Amount in Thousands)**

| | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|
| School District's Proportion of the Net OPEB Liability (Asset) | 0.0636% | 0.0724% |
| School District's Proportionate Share of the Net OPEB Liability (Asset) | \$ 1,326 | \$ 1,475 |
| School District's Covered Payroll | \$ 9,360 | \$ 9,642 |
| School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | 14.17% | 15.30% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 5.56% | 5.73% |

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.