

**Riverview School District
Financial Statements
June 30, 2021**

**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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2021, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverview School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2022, on our consideration of Riverview School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Riverview School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverview School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
January 4, 2022

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

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, 2021. 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 910 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 and a single audit section which is issued to comply with federal guidelines as required in the Government Auditing Standards and the Uniform Grant Guidance. Within the financial section are 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 then proceed to provide an increasingly 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, 2021**

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

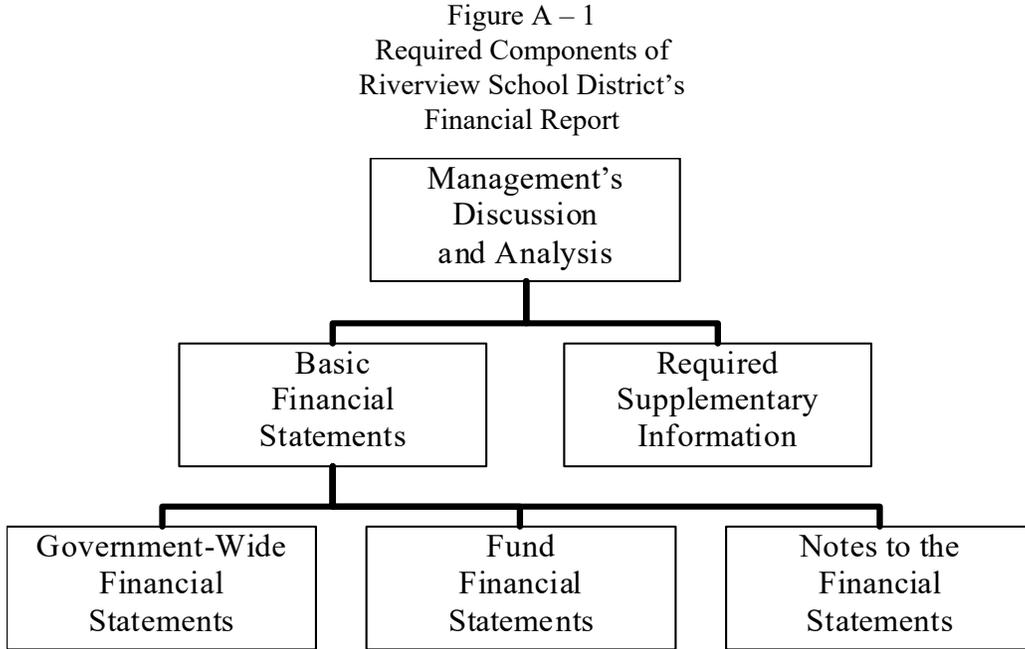


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

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, 2021**

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 and statement of change in net position on Exhibit 11. 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, 2021**

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(18,665,144) at June 30, 2021 and a deficit \$(20,443,524) at June 30, 2020.

Table A - 1
Years Ended June 30, 2021 and 2020
Net Position

	2021			2020		
	Governmental	Business-	Totals	Governmental	Business-	Totals
	Activities	Type Activities		Activities	Type Activities	
Current and Other Assets	\$ 20,280,702	\$ 122,379	\$ 20,403,081	\$ 12,617,377	\$ 93,423	\$ 12,710,800
Capital Assets	<u>21,677,451</u>	<u>29,759</u>	<u>21,707,210</u>	<u>20,835,145</u>	<u>38,300</u>	<u>20,873,445</u>
Total Assets	<u>41,958,153</u>	<u>152,138</u>	<u>42,110,291</u>	<u>33,452,522</u>	<u>131,723</u>	<u>33,584,245</u>
Deferred Outflows of Resources	<u>8,147,485</u>	<u>-</u>	<u>8,147,485</u>	<u>8,163,703</u>	<u>-</u>	<u>8,163,703</u>
Current and Other Liabilities	3,402,047	12,620	3,414,667	2,926,499	16,575	2,943,074
Noncurrent Liabilities						
Due Within One Year	900,000	-	900,000	925,681	-	925,681
Due in More Than One Year	<u>59,912,361</u>	<u>-</u>	<u>59,912,361</u>	<u>54,551,104</u>	<u>-</u>	<u>54,551,104</u>
Total Liabilities	<u>64,214,408</u>	<u>12,620</u>	<u>64,227,028</u>	<u>58,403,284</u>	<u>16,575</u>	<u>58,419,859</u>
Deferred Inflows of Resources	<u>4,695,892</u>	<u>-</u>	<u>4,695,892</u>	<u>3,771,613</u>	<u>-</u>	<u>3,771,613</u>
Net Position						
Net Investment in Capital Assets	4,249,353	29,759	4,279,112	4,082,485	38,300	4,120,785
Unrestricted	<u>(23,054,015)</u>	<u>109,759</u>	<u>(22,944,256)</u>	<u>(24,641,157)</u>	<u>76,848</u>	<u>(24,564,309)</u>
Total Net Position	<u>\$ (18,804,662)</u>	<u>\$ 139,518</u>	<u>\$ (18,665,144)</u>	<u>\$ (20,558,672)</u>	<u>\$ 115,148</u>	<u>\$ (20,443,524)</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.

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

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

Table A - 2
Years Ended June 30, 2021 and 2020
Changes in Net Position

	2021			2020		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 10,670	\$ 10,670	\$ -	\$ 206,054	\$ 206,054
Operating Grants and Contribs.	3,978,967	386,468	4,365,435	3,508,767	262,561	3,771,328
Capital Grants and Contribs.	198,886	-	198,886	191,804	-	191,804
General Revenues						
Property Taxes	15,462,567	-	15,462,567	14,859,155	-	14,859,155
Other Taxes	1,980,453	-	1,980,453	1,901,970	-	1,901,970
Grants, Subsidies and Contribs.						
Unrestricted	3,451,092	-	3,451,092	3,506,850	-	3,506,850
Other Revenues	61,189	128	61,317	296,987	31	297,018
Transfers	(83,979)	83,979	-	(40,732)	40,732	-
Total Revenues	25,049,175	481,245	25,530,420	24,224,801	509,378	24,734,179
Expenses						
Instruction	13,963,966	-	13,963,966	14,083,637	-	14,083,637
Instructional Student Support	2,590,583	-	2,590,583	2,735,791	-	2,735,791
Admin. and Fin. Support Svcs.	2,309,021	-	2,309,021	2,364,969	-	2,364,969
Operation and Maintenance						
of Plant Services	2,452,391	-	2,452,391	2,129,277	-	2,129,277
Pupil Transportation	717,041	-	717,041	968,426	-	968,426
Student Activities	638,345	-	638,345	652,674	-	652,674
Community Services	50,513	-	50,513	51,368	-	51,368
Interest on Long-Term Debt	573,305	-	573,305	559,365	-	559,365
Food Service	-	456,875	456,875	-	519,286	519,286
Total Expenses	23,295,165	456,875	23,752,040	23,545,507	519,286	24,064,793
Increase (Decrease) in Net Position	1,754,010	24,370	1,778,380	679,294	(9,908)	669,386
Beginning Net Position	(20,558,672)	115,148	(20,443,524)	(21,237,966)	125,056	(21,112,910)
Ending Net Position	\$ (18,804,662)	\$ 139,518	\$ (18,665,144)	\$ (20,558,672)	\$ 115,148	\$ (20,443,524)

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

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, 2021 and 2020
Governmental Activities

	2021		2020	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 13,963,966	\$ 11,027,813	\$ 14,083,637	\$ 11,491,661
Instructional Student Support	2,590,583	2,253,480	2,735,791	2,429,495
Admin. and Fin. Support Svcs.	2,309,021	2,091,679	2,364,969	2,152,190
Operation and Maintenance of Plant Services	2,452,391	2,210,006	2,129,277	1,974,033
Pupil Transportation	717,041	500,494	968,426	756,638
Student Activities	638,345	610,238	652,674	623,289
Community Services	50,513	49,183	51,368	50,069
Interest on Long-Term Debt	<u>573,305</u>	<u>374,419</u>	<u>559,365</u>	<u>367,561</u>
Total Governmental Activities	<u>\$ 23,295,165</u>	19,117,312	<u>\$ 23,545,507</u>	19,844,936
Less:				
Unrestricted Grants, Subsidies		<u>(3,451,092)</u>		<u>(3,506,850)</u>
Total Needs from Local Taxes and Other Revenues		<u>\$ 15,666,220</u>		<u>\$ 16,338,086</u>

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

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, 2021 and 2020
Business-Type Activities

	2021		2020	
	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>\$ 456,875</u>	\$ 59,737	<u>\$ 519,286</u>	\$ 50,671
Add/Less:				
Investment Earnings		(128)		(31)
Transfers		<u>(83,979)</u>		<u>(40,732)</u>
Total Business-Type Activities		<u>\$ (24,370)</u>		<u>\$ 9,908</u>

School District Funds

As of June 30, 2021, the School District had a general fund balance of \$7,725,666, which is an increase of \$1,437,257 over year-end June 30, 2020. The School District recognized a \$1,022,922 increase in total revenues, most of which are a result of a one-time post of interim real estate taxes from properties in a new building complex being processed through the interim tax program in the county. Another significant piece of this increase was from federal ESSER Funds to be used for the COVID-19 Pandemic Relief. In addition to the increase in revenues the District has seen a drop in expenditures also contributing to the increase in fund balance. The District was closed until November 2020 due to COVID-19 and experienced savings on supplies and utilities.

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, 2021**

Capital Assets and Debt Administration

Capital Assets

At June 30, 2021, the School District had net capital assets of \$21,677,451 which included land, buildings, construction in progress and furniture and equipment.

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

	2021	2020
Land and Land Improvements	\$ 328,261	\$ 328,261
Buildings and Building Improvements	19,532,443	20,313,495
Furniture and Equipment	120,214	173,761
Construction in Progress	1,696,533	19,628

Debt Administration

As of June 30, 2021, the School District had a total of \$23,545,000 in long-term liabilities consisting of general obligation bonds.

Table A - 6
Outstanding Debt

General Obligation Bonds/Notes	As of 06/30/21	As of 06/30/20
Bonds - Series of 2010B	\$ 570,000	\$ 575,000
Bonds - Series of 2015A	-	6,640,000
Bonds - Series of 2015B	-	3,065,000
Bonds - Series of 2018	7,190,000	7,195,000
Bonds - Series of 2020	7,215,000	-
Bonds - Series of 2020A	5,480,000	-
Bonds - Series of 2020B	3,090,000	-

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 2021/2022 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 3.4% if needed for the 2021/2022 school year.

**Riverview School District
Management's Discussion and Analysis
June 30, 2021**

Table A - 7

	Budgeted Revenue 2021/2022	Actual Revenue 2020/2021
Local	72.2%	70.5%
State	26.5%	26.8%
Federal/Other	1.3%	2.7%
	Budgeted Expenditures 2021/2022	Actual Expenditures 2020/2021
Instruction	57.3%	39.5%
Support Services	31.9%	21.3%
Noninstructional Services	3.4%	1.9%
Fund Transfers/Debt/Other	7.4%	37.3%

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, 2021**

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 17,404,152	\$ 90,916	\$ 17,495,068
Taxes Receivable, Net	1,923,362	-	1,923,362
Internal Balances	1,227	(1,227)	-
Due From Other Governments	744,859	20,354	765,213
Other Receivables	-	124	124
Inventories	-	12,212	12,212
Prepaid Items	203,385	-	203,385
Other Current Assets	3,717	-	3,717
Capital Assets not Being Depreciated			
Land	233,521	-	233,521
Construction in Progress	1,696,533	-	1,696,533
Capital Assets, Net of Accumulated Depreciation			
Land Improvements	94,740	-	94,740
Building & Building Improvements	19,532,443	-	19,532,443
Furniture & Equipment	120,214	29,759	149,973
TOTAL ASSETS	41,958,153	152,138	42,110,291
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	364,251	-	364,251
Amounts Related to OPEB - District	306,008	-	306,008
Amounts Related to OPEB - PSERS	322,590	-	322,590
Amounts Related to Pension	7,154,636	-	7,154,636
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,147,485	-	8,147,485
LIABILITIES			
Accounts Payable	526,979	7,716	534,695
Contracts Payable	169,653	-	169,653
Accrued Salaries and Benefits	2,462,338	-	2,462,338
Payroll Deductions and Withholdings	1,384	-	1,384
Unearned Revenues	-	4,904	4,904
Other Current Liabilities	241,693	-	241,693
Noncurrent Liabilities:			
Due Within One Year	900,000	-	900,000
Due in More Than One Year:			
Notes Payable	60,000	-	60,000
Compensated Absences	37,380	-	37,380
Bonds Payable	22,931,829	-	22,931,829
Other Post-Employment Benefits - District	3,167,152	-	3,167,152
Other Post-Employment Benefits - PSERS	1,415,000	-	1,415,000
Net Pension Liability	32,301,000	-	32,301,000
TOTAL LIABILITIES	64,214,408	12,620	64,227,028
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	241,061	-	241,061
Amounts Related to OPEB - PSERS	260,446	-	260,446
Amounts Related to Pension	4,194,385	-	4,194,385
TOTAL DEFERRED INFLOWS OF RESOURCES	4,695,892	-	4,695,892
NET POSITION			
Net Investment in Capital Assets	4,249,353	29,759	4,279,112
Unrestricted	(23,054,015)	109,759	(22,944,256)
TOTAL NET POSITION	\$ (18,804,662)	\$ 139,518	\$ (18,665,144)

See Accompanying Notes

**Riverview School District
Statement of Activities
Year Ended June 30, 2021**

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	\$ 13,963,966	\$ -	\$ 2,936,153	\$ -	\$ (11,027,813)	\$ -	\$ (11,027,813)
Instructional Student Support	2,590,583	-	337,103	-	(2,253,480)	-	(2,253,480)
Administrative and Financial Support Services	2,309,021	-	217,342	-	(2,091,679)	-	(2,091,679)
Operation and Maintenance of Plant Services	2,452,391	-	242,385	-	(2,210,006)	-	(2,210,006)
Pupil Transportation	717,041	-	216,547	-	(500,494)	-	(500,494)
Student Activities	638,345	-	28,107	-	(610,238)	-	(610,238)
Community Services	50,513	-	1,330	-	(49,183)	-	(49,183)
Interest on Long-Term Debt	573,305	-	-	198,886	(374,419)	-	(374,419)
Total Governmental Activities	23,295,165	-	3,978,967	198,886	(19,117,312)	-	(19,117,312)
Business-type Activities:							
Food Service	456,875	10,670	386,468	-	-	(59,737)	(59,737)
Total Primary Government	\$ 23,752,040	\$ 10,670	\$ 4,365,435	\$ 198,886	(19,117,312)	(59,737)	(19,177,049)
General Revenues and Transfers							
Taxes							
Property Taxes Levied for General Purposes, Net					15,462,567	-	15,462,567
Earned Income Taxes					1,586,937	-	1,586,937
Real Estate Transfer Taxes					355,703	-	355,703
Other Taxes Levied for General Purposes, Net					37,813	-	37,813
Grants, Subsidies and Contributions not Restricted					3,451,092	-	3,451,092
Investment Earnings					25,068	128	25,196
Miscellaneous Income					45,684	-	45,684
Loss on Disposal of Assets					(9,563)	-	(9,563)
Transfers					(83,979)	83,979	-
Total General Revenues and Transfers					20,871,322	84,107	20,955,429
Change in Net Position					1,754,010	24,370	1,778,380
Net Position - July 1, 2020					(20,558,672)	115,148	(20,443,524)
Net Position - June 30, 2021					\$ (18,804,662)	\$ 139,518	\$ (18,665,144)

See Accompanying Notes

**Riverview School District
Balance Sheet
Governmental Funds
June 30, 2021**

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,972,903	\$ 8,431,249	\$ 17,404,152
Taxes Receivable, Net	1,923,362	-	1,923,362
Due from Other Funds	1,227	-	1,227
Due from Other Governments	744,859	-	744,859
Prepaid Items	203,385	-	203,385
Other Current Assets	<u>3,717</u>	<u>-</u>	<u>3,717</u>
TOTAL ASSETS	<u><u>\$ 11,849,453</u></u>	<u><u>\$ 8,431,249</u></u>	<u><u>\$ 20,280,702</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 123,135	\$ 403,844	\$ 526,979
Contracts Payable	-	169,653	169,653
Accrued Salaries and Benefits	2,462,338	-	2,462,338
Payroll Deductions and Withholdings	<u>1,384</u>	<u>-</u>	<u>1,384</u>
Total Liabilities	<u><u>2,586,857</u></u>	<u><u>573,497</u></u>	<u><u>3,160,354</u></u>
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	<u>1,536,930</u>	<u>-</u>	<u>1,536,930</u>
Fund Balances			
Nonspendable	203,385	-	203,385
Restricted	-	5,301,834	5,301,834
Committed	4,864,415	2,555,918	7,420,333
Assigned	789,283	-	789,283
Unassigned	<u>1,868,583</u>	<u>-</u>	<u>1,868,583</u>
Total Fund Balances	<u><u>7,725,666</u></u>	<u><u>7,857,752</u></u>	<u><u>15,583,418</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 11,849,453</u></u>	<u><u>\$ 8,431,249</u></u>	<u><u>\$ 20,280,702</u></u>

See Accompanying Notes

**Riverview School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 15,583,418

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 \$35,729,907, and the accumulated depreciation is \$14,052,456. 21,677,451

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. 1,536,930

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. (266,829)

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. 364,251

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	\$ (23,545,000)	
Accrued Interest on the Bonds	(241,693)	
Notes Payable	(80,000)	
Compensated Absences	(37,380)	
	(23,904,073)	(23,904,073)

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	(1,415,000)	
OPEB Liability - District	(3,167,152)	
Net Pension Liability	(32,301,000)	(36,883,152)

**Riverview School District
 Reconciliation of the Governmental Funds Balance Sheet
 to the Statement of Net Position
 June 30, 2021**

Exhibit 4

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

Deferred Outflows of Resources Related to Pensions	7,154,636	
Deferred Inflows of Resources Related to Pensions	(4,194,385)	
Deferred Outflows of Resources Related to OPEB - PSERS	322,590	
Deferred Inflows of Resources Related to OPEB - PSERS	(260,446)	
Deferred Outflows of Resources Related to OPEB - District	306,008	
Deferred Inflows of Resources Related to OPEB - District	<u>(241,061)</u>	<u>3,087,342</u>
 Total Net Position - Governmental Activities		 <u>\$ (18,804,662)</u>

See Accompanying Notes

**Riverview School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021**

Exhibit 5

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Local Sources	\$ 17,739,731	\$ 16,663	\$ 17,756,394
State Sources	6,741,334	-	6,741,334
Federal Sources	685,863	-	685,863
	<u>25,166,928</u>	<u>16,663</u>	<u>25,183,591</u>
Total Revenues	<u>25,166,928</u>	<u>16,663</u>	<u>25,183,591</u>
Expenditures			
Instruction	13,356,119	-	13,356,119
Support Services	7,205,737	137,808	7,343,545
Noninstructional Services	638,505	1,075	639,580
Capital Outlay	133,239	2,221,946	2,355,185
Debt Service (Principal & Interest)	1,522,403	-	1,522,403
Refunds of Prior Year's Receipts	53,233	-	53,233
	<u>22,909,236</u>	<u>2,360,829</u>	<u>25,270,065</u>
Total Expenditures	<u>22,909,236</u>	<u>2,360,829</u>	<u>25,270,065</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,257,692</u>	<u>(2,344,166)</u>	<u>(86,474)</u>
Other Financing Sources (Uses)			
Issuance of Bonds	-	7,215,000	7,215,000
Issuance of Refunding Bonds	9,555,000	-	9,555,000
Issuance of Notes Payable	100,000	-	100,000
(Discount) Premium on Bonds Issued	435,079	(71,632)	363,447
Transfers In	-	1,000,000	1,000,000
Payment to Refunded Bond Escrow Agent	(9,826,535)	-	(9,826,535)
Transfers Out	(1,083,979)	-	(1,083,979)
	<u>(820,435)</u>	<u>8,143,368</u>	<u>7,322,933</u>
Total Other Financing Sources (Uses)	<u>(820,435)</u>	<u>8,143,368</u>	<u>7,322,933</u>
Net Changes in Fund Balances	1,437,257	5,799,202	7,236,459
Fund Balances - July 1, 2020	<u>6,288,409</u>	<u>2,058,550</u>	<u>8,346,959</u>
Fund Balances - June 30, 2021	<u>\$ 7,725,666</u>	<u>\$ 7,857,752</u>	<u>\$ 15,583,418</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, 2021**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ 7,236,459

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 capital outlays exceeds depreciation in the period.

Depreciation Expense	\$ (876,583)	
Capital Outlays	1,728,452	
Loss on Disposal	<u>(9,563)</u>	842,306

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. 12,359

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. 1,015,000

Bond and note proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide financial statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. The proceeds were: (16,870,000)

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	8,960	
Termination Payments	3,661	
Other Post-Employment Benefits - PSERS	13,968	
Other Post-Employment Benefits - District	<u>(109,926)</u>	(83,337)

**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, 2021**

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		(61,041)
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The School Districts' bonded debt was also reduced by an advance refunding of debt. Resources of (\$9,826,535) were paid to the escrow agent for the advance refunding of outstanding bonds (\$9,705,000). The difference between those amounts was \$121,535 and will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt.

9,826,535

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.

Bond Discount	71,632	
Bond Premium	(435,079)	
Amortization of Discount, Premium and Deferred Loss on Refunding	(4,861)	(368,308)

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	3,211,636	
Cost of Benefits Earned	(3,007,599)	204,037

Change in Net Position of Governmental Activities		\$ 1,754,010
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See Accompanying Notes

**Riverview School District
Statement of Net Position
Proprietary Funds
June 30, 2021**

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 90,916
Due From Other Governments	20,354
Other Receivables	124
Inventories	<u>12,212</u>
Total Current Assets	<u>123,606</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>29,759</u>
TOTAL ASSETS	<u><u>153,365</u></u>
LIABILITIES	
Due to Other Funds	1,227
Accounts Payable	7,716
Unearned Revenues	<u>4,904</u>
TOTAL LIABILITIES	<u>13,847</u>
NET POSITION	
Invested in Capital Assets	29,759
Unrestricted	<u>109,759</u>
TOTAL NET POSITION	<u><u>\$ 139,518</u></u>

See Accompanying Notes

Riverview School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2021

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	\$ 10,670
	<hr/>
Operating Expenses	
Other Purchased Services	405,455
Supplies	41,262
Depreciation	8,541
Dues and Fees	1,617
	<hr/>
Total Operating Expenses	456,875
	<hr/>
Operating Income (Loss)	(446,205)
	<hr/>
Nonoperating Revenues (Expenses)	
Earnings on Investments	128
State Sources	13,773
Federal Sources	372,695
	<hr/>
Total Nonoperating Revenues (Expenses)	386,596
	<hr/>
Income (Loss) Before Transfers	(59,609)
	<hr/>
Transfers In (Out)	83,979
	<hr/>
Change in Net Position	24,370
	<hr/>
Net Position - July 1, 2020	115,148
	<hr/>
Net Position - June 30, 2021	\$ 139,518
	<hr/> <hr/>

See Accompanying Notes

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 8,513
Cash Payments to Suppliers for Goods and Services	(403,540)
Cash Payments for Other Operating Expenses	<u>(1,617)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(396,644)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	13,497
Federal Sources	324,310
Operating Transfers In (Out)	<u>83,979</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>421,786</u>
Cash Flows From Investing Activities	
Earnings on Investments	<u>128</u>
Net Increase (Decrease) in Cash and Cash Flows	25,270
Cash and Cash Equivalents - July 1, 2020	<u>65,646</u>
Cash and Cash Equivalents - June 30, 2021	<u><u>\$ 90,916</u></u>

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021**

Exhibit 9

		Food Service Fund
Operating Income (Loss)	\$	(446,205)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Depreciation		8,541
Donated Commodities		41,262
(Increase) Decrease in Accounts Receivable		397
(Increase) Decrease in Inventories		3,316
Increase (Decrease) in Accounts Payable		(1,401)
Increase (Decrease) in Deferred Revenue		<u>(2,554)</u>
Total Adjustments		<u>49,561</u>
Cash Provided by (Used for) Operating Activities	\$	<u>(396,644)</u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2021, the School District received \$38,708 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, 2021**

Exhibit 10

	Private Purpose Trust	Custodial Funds
ASSETS		
Cash and Cash Equivalents	<u>\$ 54,053</u>	<u>\$ 35,831</u>
NET POSITION		
Restricted for:		
Scholarships	54,053	-
Student Groups	<u>-</u>	<u>35,831</u>
TOTAL NET POSITION	<u><u>\$ 54,053</u></u>	<u><u>\$ 35,831</u></u>

See Accompanying Notes

**Riverview School District
Statement of Change in Net Position
Fiduciary Funds
Year Ended June 30, 2021**

Exhibit 11

	Private Purpose Trust	Custodial Funds
Additions		
Revenue from Student Activities	\$ -	\$ 25,273
Interest Earnings	27	12
	27	25,285
Total Additions	27	25,285
Deductions		
Scholarships Awarded	6,750	-
Student Activities Program Expense	-	27,433
	6,750	27,433
Total Deductions	6,750	27,433
Change in Net Position	(6,723)	(2,148)
Net Position - July 1, 2020	60,776	37,979
Net Position - June 30, 2021	\$ 54,053	\$ 35,831

See Accompanying Notes

Riverview School District
Notes to Financial Statements
June 30, 2021

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, 2021

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 custodial 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 trust funds, investment trust funds, private purpose trust funds or custodial funds). 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 *custodial 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, 2021

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 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 accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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.

The proprietary fund and the custodial fund are reported using the economic resources measurement focus and the accrual basis of account.

Riverview School District
Notes to Financial Statements
June 30, 2021

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.

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, 2021 was \$175,545 which has been reported in the School District's general fund. The School District has no equity interest in FRCTC as of June 30, 2021. 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, 2021 was \$6,109 which has been reported in the School District's general fund. The School District has no equity interest in Eastern as of June 30, 2021. 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.

Riverview School District
Notes to Financial Statements
June 30, 2021

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, 2021.

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, 2021.

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, 2021 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.

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Notes to Financial Statements
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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.

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.

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Notes to Financial Statements
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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.

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.

Riverview School District
Notes to Financial Statements
June 30, 2021

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.

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, 2021, are as follows:

1. The nonspendable fund balance in the general fund of \$203,385 is for prepaid items.
2. The restricted funds in the capital projects fund of \$5,301,834 are for the School District-wide improvement project.

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3. The committed fund balance in the capital projects fund of \$2,555,918 is for future capital projects and improvements.
4. The committed fund balance in the general fund of \$4,864,415 is for capital projects, capital improvements and retirement contributions.
5. The assigned fund balance in the general fund of \$789,283 is for future capital improvements and any unanticipated expenditures.

Note 2 - 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, 2021, \$3,709,672 of the School District's bank balance of \$4,209,672 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>\$3,709,672</u>

As of June 30, 2021, the School District had the following investments:

Investments	Fair Value
PLGIT	<u>\$13,581,740</u>

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.

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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 3 - 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 2020/2021 was 23.272 mills (\$23.27 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2020/2021 is as follows:

Tax Levy Date	July 1, 2020
2% Discount Period	Through August 31, 2020
Face Payment Period	September 1 - October 31, 2020
10% Penalty Period	November 1 Until Liened
Lien Filing Date	July 1, 2021

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 \$1,536,930 net of estimated uncollectible amounts, along with other taxes receivable of \$386,432.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2021, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Activities	Totals
Federal (through the state)	\$ 70,679	\$ 19,575	\$ 90,254
State	674,180	779	674,959
	\$ 744,859	\$ 20,354	\$ 765,213

Riverview School District
Notes to Financial Statements
June 30, 2021

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance 07/01/20	Additions	Disposals/ Transfers	Balance 06/30/21
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 233,521	\$ -	\$ -	\$ 233,521
Construction in Progress	<u>19,628</u>	<u>1,696,533</u>	<u>(19,628)</u>	<u>1,696,533</u>
Total Capital Assets not Being Depreciated	<u>253,149</u>	<u>1,696,533</u>	<u>(19,628)</u>	<u>1,930,054</u>
Capital Assets Being Depreciated				
Land Improvements	258,715	-	-	258,715
Buildings and Building Improv.	31,021,132	-	19,628	31,040,760
Furniture and Equipment	<u>2,514,371</u>	<u>31,919</u>	<u>(45,912)</u>	<u>2,500,378</u>
Total Capital Assets Being Depreciated	<u>33,794,218</u>	<u>31,919</u>	<u>(26,284)</u>	<u>33,799,853</u>
Less Accumulated Depreciation				
Land Improvements	163,975	-	-	163,975
Buildings and Building Improv.	10,707,637	800,680	-	11,508,317
Furniture and Equipment	<u>2,340,610</u>	<u>75,903</u>	<u>(36,349)</u>	<u>2,380,164</u>
Total Accumulated Depreciation	<u>13,212,222</u>	<u>876,583</u>	<u>(36,349)</u>	<u>14,052,456</u>
Total Capital Assets Being Depreciated, Net	<u>20,581,996</u>	<u>(844,664)</u>	<u>10,065</u>	<u>19,747,397</u>
Governmental Activities Capital Assets, Net	<u>\$20,835,145</u>	<u>\$ 851,869</u>	<u>\$ (9,563)</u>	<u>\$21,677,451</u>
Business-Type Activities				
Furniture and Equipment	\$ 309,707	\$ -	\$ -	\$ 309,707
Less Accumulated Depreciation and Equipment	<u>271,407</u>	<u>8,541</u>	<u>-</u>	<u>279,948</u>
Business-Type Activities Capital Assets, Net	<u>\$ 38,300</u>	<u>\$ (8,541)</u>	<u>\$ -</u>	<u>\$ 29,759</u>

Riverview School District
Notes to Financial Statements
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Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
Instruction	\$ 686,172
Instructional Student Support	55,268
Administration and Financial Support Services	40,358
Operation and Maintenance of Plant Services	44,955
Student Activities	<u>49,830</u>
Total Depreciation Expense	<u>\$ 876,583</u>
Business-Type Activities - Food Service	<u>\$ 8,541</u>

Note 6 - Interfund Balances/Transfers

At June 30, 2021, interfund balances were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 1,227	\$ -
Proprietary Fund		
Food Service	<u>-</u>	<u>1,227</u>
	<u>\$ 1,227</u>	<u>\$ 1,227</u>

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.

For the year ended June 30, 2021, interfund transfers consisted of \$83,979 from the general fund to the food service fund to support operations and \$1,000,000 from the general fund to the capital projects fund to support capital improvements.

Riverview School District
Notes to Financial Statements
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Note 7 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2021 was as follows:

	Balance 07/01/20	Additions	Reductions	Balance 06/30/21	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 17,475,000	\$ 16,770,000	\$ 10,700,000	\$ 23,545,000	\$ 880,000
Plus: Bond Premium	16,499	435,079	52,755	398,823	-
Less: Bond Discount	<u>(82,575)</u>	<u>(71,632)</u>	<u>(22,213)</u>	<u>(131,994)</u>	<u>-</u>
 Total Bonds Payable	 <u>17,408,924</u>	 <u>17,133,447</u>	 <u>10,730,542</u>	 <u>23,811,829</u>	 <u>880,000</u>
 Notes Payable					
	-	100,000	20,000	80,000	20,000
Early Retire. Incentive Pmts.	3,661	-	3,661	-	-
Compensated Absences	<u>46,340</u>	<u>3,920</u>	<u>12,880</u>	<u>37,380</u>	<u>-</u>
 Governmental Activities					
Long-Term Liabilities	<u>\$ 17,458,925</u>	<u>\$ 17,237,367</u>	<u>\$ 10,767,083</u>	<u>\$ 23,929,209</u>	<u>\$ 900,000</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%.	\$ 570,000
Refunding Series of 2018 - \$7,200,000 - due serially each year through March 1, 2038, interest at 2.5% - 3.5%.	7,190,000
2020 General Obligation Bonds in the amount of \$7,215,000; due serially through August 15, 2043; interest rate 1.0% to 2.5%	7,215,000
2020A General Obligation Bonds in the amount of \$6,430,000; due serially through August 15, 2026; interest rate 2.0% to 4.0%	5,480,000
2020B General Obligation Bonds in the amount of \$3,125,000; due serially through August 15, 2031; interest rate 1.0% to 2.0%	<u>3,090,000</u>
	<u>\$ 23,545,000</u>

**Riverview School District
Notes to Financial Statements
June 30, 2021**

General Obligation Note

Note payable - \$100,000 due monthly through June 2025,
interest at 0.00%.

\$ 80,000

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, 2021, are as follows:

Year Ended June 30,	General Obligation Bonds		General Obligation Notes		Totals
	Principal (On Issuance Amount)	Interest	Principal	Interest	
2022	\$ 880,000	\$ 661,366	\$ 20,000	\$ -	\$ 1,561,366
2023	915,000	630,169	20,000	-	1,565,169
2024	945,000	597,969	20,000	-	1,562,969
2025	975,000	569,306	20,000	-	1,564,306
2026	1,005,000	539,744	-	-	1,544,744
2027-2031	4,520,000	2,364,075	-	-	6,884,075
2032-2036	5,075,000	1,786,194	-	-	6,861,194
2037-2041	6,050,000	841,800	-	-	6,891,800
2042-2044	<u>3,180,000</u>	<u>99,250</u>	<u>-</u>	<u>-</u>	<u>3,279,250</u>
	<u>\$ 23,545,000</u>	<u>\$ 8,089,873</u>	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ 31,714,873</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 \$100,000, with the first of 60 payments of \$1,667 due July 2020. The note bears no interest.

On July 28, 2020, the School District issued \$6,430,000 Series 2020A and \$3,125,000 Series 2020B bonds with interest rates from 1.0% to 4.0% to advance and currently refund the outstanding 2015A general obligation bonds (\$6,640,000) with interest rates from 0.3% to 2.5% and the 2015B general obligation bonds (\$3,065,000) with interest rates of 2.15% to 3.35% and provide funds for various capital projects. The net proceeds of \$9,826,535 (after payment of issuance costs) were used to currently refund the above bonds and outstanding interest. As a result, those bonds are considered defeased and the liability for those bonds has been removed as a liability in these financial statements.

The School District currently refunded the 2015A and 2015B Series bonds to reduce its total debt service payments over twelve years by \$553,803 to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$513,935.

Riverview School District
Notes to Financial Statements
June 30, 2021

Note 8 – 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%. There was no discounted present value of Act 93 early retirement incentive payments at June 30, 2021.

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.

Note 9 - 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’ 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.

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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.

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, 2021 was 33.51% 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 \$3,211,636 for the year ended June 30, 2021.

Riverview School District
Notes to Financial Statements
June 30, 2021

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

At June 30, 2021, the School District reported a liability of \$32,301,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2021, the School District's proportion was 0.0656%, which was a decrease of 0.0066% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$3,007,599. At June 30, 2021, 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	\$ 84,000	\$ 774,000
Net difference between projected and actual investment earnings	1,419,000	-
Changes in proportions	2,440,000	3,391,000
Difference between employer contributions and proportionate share of total contributions	-	29,385
Contributions subsequent to the measurement date	<u>3,211,636</u>	<u>-</u>
	<u>\$ 7,154,636</u>	<u>\$4,194,385</u>

\$3,211,636 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, 2022. 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,	
2022	\$ (557,479)
2023	295,085
2024	(412,303)
2025	<u>423,312</u>
	<u>\$ (251,385)</u>

Riverview School District
Notes to Financial Statements
June 30, 2021

1. Actuarial Assumptions

The total pension liability as of June 30, 2020 was determined by rolling forward the System’s total pension liability at June 30, 2019 to June 30, 2020 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.
- 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, 2020 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	15.0%	5.2%
Private equity	15.0%	7.2%
Fixed Income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute return	10.0%	2.5%
Risk parity	8.0%	3.3%
Infrastructure/MLPs	6.0%	5.7%
Real estate	10.0%	5.5%
Cash	6.0%	-1.0%
Financing (LIBOR)	<u>-14.0%</u>	-0.7%
	<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, 2020.

**Riverview School District
Notes to Financial Statements
June 30, 2021**

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.

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	\$ 39,963	\$ 32,301	\$ 25,810

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 10 - 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.

**Riverview School District
Notes to Financial Statements
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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.

At July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	12
Active employees	<u>92</u>
	<u><u>104</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 \$3,167,152 was measured as of July 1, 2020 and was determined by an actuarial valuation as of that date.

C. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2020 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	2.30%
Healthcare Cost Trend Rates	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.

Riverview School District
Notes to Financial Statements
June 30, 2021

The actuarial assumptions used in the July 1, 2020 valuation were selected using input from the School District based upon actual experience.

D. Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 2,704,860
Changes for the year:	
Service Cost	124,751
Interest	72,734
Changes in benefit terms	50,217
Changes of assumptions or other inputs	298,355
Differences between expected & actual experience	51,368
Benefit Payments	<u>(135,133)</u>
Net Changes	<u>462,292</u>
Balance at June 30, 2021	<u>\$ 3,167,152</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 (1.30%) or 1-percentage point higher (3.30%) than the current discount rate:

	1.00% Decrease 1.30%	Current Discount Rate 2.30%	1.00% Increase 3.30%
Total OPEB Liability	\$ 3,437,959	\$ 3,167,152	\$ 2,916,940

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	\$ 2,966,007	\$ 3,167,152	\$ 3,399,722

**Riverview School District
Notes to Financial Statements
June 30, 2021**

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$109,926. At June 30, 2021, 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	\$ 261,061	\$ 154,616
Differences between expected and actual experience	<u>44,947</u>	<u>86,445</u>
	<u>\$ 306,008</u>	<u>\$ 241,061</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,	
2022	\$ (2,643)
2023	(2,643)
2024	(2,643)
2025	(2,643)
2026	(2,643)
Thereafter	<u>78,162</u>
	<u>\$ 64,947</u>

Note 11 - 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' 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, 2021

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, 2020, 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, 2020, 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, 2021 was 0.82% 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 \$78,590 for the year ended June 30, 2021.

Riverview School District
Notes to Financial Statements
June 30, 2021

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

At June 30, 2021, the School District reported a liability of \$1,415,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. 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, 2021, the School District's proportion was 0.0655%, which was a decrease of 0.0067% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$64,622. At June 30, 2021, 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	\$ 13,000	\$ -
Changes in assumptions	58,000	31,000
Net difference between projected and actual investment earnings	2,000	-
Changes in proportions	171,000	228,000
Difference between employer contributions and proportionate share of total contributions	-	1,446
Contributions subsequent to the measurement date	<u>78,590</u>	<u>-</u>
	<u>\$ 322,590</u>	<u>\$ 260,446</u>

\$78,590 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, 2022. 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,	
2022	\$ (2,378)
2023	(1,905)
2024	(4,243)
2025	(5,920)
2026	15,000
Thereafter	<u>(17,000)</u>
	<u>\$ (16,446)</u>

Riverview School District
Notes to Financial Statements
June 30, 2021

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2020 was determined by rolling forward the System's total OPEB liability at June 30, 2019 to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.79%, 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, 2019 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, 2018 determined the employer contribution rate for fiscal year 2020.
- 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, 2021

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	50.3%	-1.00%
US Core Fixed Income	46.5%	-0.10%
Non-US Developed Fixed	<u>3.2%</u>	-0.10%
	<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, 2020.

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.66%. 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 2.66% which represents the S&P 20-year Municipal Bond Rate at June 30, 2020, 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, 2020, 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, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2020, 688 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 for June 30, 2020 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	\$ 1,415	\$ 1,415	\$ 1,415

**Riverview School District
Notes to Financial Statements
June 30, 2021**

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 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66%) or 1 percentage point higher (3.66%) than the current rate:

	(In Thousands)		
	1.00%	Current	1.00%
	Decrease	Discount Rate	Increase
	1.66%	2.66%	3.66%
School District's proportionate share of the net OPEB liability	\$ 1,614	\$ 1,415	\$ 1,251

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 12 - 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 \$2,327,144 and \$2,288,544 for the years ended June 30, 2021 and 2020, 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, 2021, the net position of the Consortium was \$63,689,030 of which \$477,121 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.

Note 13 – On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2021, was \$2,000,333.

Riverview School District
Notes to Financial Statements
June 30, 2021

This includes \$1,650,216 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 \$350,117 to the federal government for social security and Medicare taxes for the year ended June 30, 2021. 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 14 – Operating Lease

The School District entered into operating leases for copier machines and postage machines. Total expense under the lease for the year ended June 30, 2021 was \$39,886. Future minimum payments on the lease are as follows:

Year Ended June 30,	Governmental Activities
2022	\$ 43,512
2023	43,512
2024	43,512
2025	43,512
2026	3,959
	<u>\$ 178,007</u>

Note 15 – Contingent Liabilities

Riverview School District participates in a number of federally assisted grant programs, principal of which are Education Stabilization Fund and National School Lunch Program. The programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for and including the year ended June 30, 2021 have not yet been conducted. Accordingly, the School District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

The COVID-19 pandemic has continued to impact the School District. During the year ended June 30, 2021, the School District incurred additional expenses related to mitigating the effects of the pandemic on staff and students. The ultimate outcome cannot be determined at this time. The School District's staff will continue to monitor operating results to mitigate any financial impact that may occur.

As a response to COVID-19, the Coronavirus Aid, Relief and Economics Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act and the American Rescue Plan (ARP) Act were enacted by Congress to provide budgetary relief to educational agencies. This funding is reflected in these and in future financial statements.

Note 16 – Construction Commitment

As of June 30, 2021, the School District had construction commitments of approximately \$2,428,000 for capital improvements. It is anticipated these projects will be completed in the 2021/2022 school year.

Riverview School District
Notes to Financial Statements
June 30, 2021

Note 17 – Prior Period Restatement

As a result of the implementation of GASB Statement No. 84 "*Fiduciary Activities*", the School District made a prior period adjustment to record net position for its Custodial Fund within its fiduciary activities. This prior period adjustment and its effect on net position at July 1, 2020 was an increase in Custodial Fund net position of \$37,979. Prior to the implementation of GASB Statement No. 84, custodial fund assets equaled liabilities and did not involve measurement of results of operations.

**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, 2021**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 14,199,102	\$ 14,197,669	\$ 14,528,062	\$ 330,393
Public Utility Realty Taxes	15,500	15,500	15,863	363
Local Services Taxes	21,000	21,000	21,950	950
Earned Income Taxes	1,141,000	1,141,000	1,168,166	27,166
Real Estate Transfer Taxes	230,000	230,000	355,703	125,703
Delinquencies on Taxes	1,100,000	1,100,000	1,394,150	294,150
Earnings on Investments	100,000	100,000	8,405	(91,595)
Other Local Revenues				
Revenue from Student Activities	16,000	16,000	-	(16,000)
Federal Revenues from IU	180,000	180,000	201,734	21,734
Contributions & Donations from Private Sources	-	-	14	14
Rentals	10,000	10,000	8,580	(1,420)
Miscellaneous Revenue	78,000	78,000	37,104	(40,896)
Total Revenues from Local Sources	<u>17,090,602</u>	<u>17,089,169</u>	<u>17,739,731</u>	<u>650,562</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	3,095,548	3,096,001	3,095,546	(455)
Tuition	-	-	16,339	16,339
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	702,925	700,828	702,906	2,078
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	222,000	222,000	216,547	(5,453)
Rentals & Sinking Fund Payments	192,800	192,800	198,886	6,086
Ready to Learn Block Grant	126,151	126,151	126,151	-
Health Services	22,000	22,000	20,434	(1,566)
State Property Tax Reduction	355,532	357,042	355,532	(1,510)
Social Security Payments	400,000	400,000	350,117	(49,883)
State Retirement Revenue	1,600,000	1,600,000	1,650,216	50,216
Other State Revenue	-	-	8,660	8,660
Total Revenues from State Sources	<u>6,716,956</u>	<u>6,716,822</u>	<u>6,741,334</u>	<u>24,512</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Federal Sources				
Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth				
Title I	188,697	210,245	188,020	(22,225)
Title II	32,253	37,000	46,251	9,251
Title III	700	700	-	(700)
Title IV	14,048	12,000	14,048	2,048
Elementary and Secondary Emergency Relief Fund (ESSER)				
	-	-	182,382	182,382
Elementary and Secondary Emergency Relief Fund (ESSER II)				
	-	-	4,521	4,521
Other Restricted Federal Grants-In-Aid Through the Commonwealth of PA				
	-	-	64,220	64,220
IDEA, Part B				
	-	-	8,671	8,671
Other CARES Act and CRRSA Act Funding				
	-	-	152,614	152,614
Medical Assistance - Access	75,000	75,000	23,484	(51,516)
Medical Assistance - Admin.	3,000	3,000	1,652	(1,348)
	<u>313,698</u>	<u>337,945</u>	<u>685,863</u>	<u>347,918</u>
Total Revenues from Federal Sources				
	<u>313,698</u>	<u>337,945</u>	<u>685,863</u>	<u>347,918</u>
Total Revenues	<u>24,121,256</u>	<u>24,143,936</u>	<u>25,166,928</u>	<u>1,022,992</u>
Other Financing Sources				
Issuance of Notes Payable	-	-	100,000	100,000
Issuance of Refunding Bonds	-	-	9,555,000	9,555,000
Premium on Bonds Issued	-	-	435,079	435,079
	<u>-</u>	<u>-</u>	<u>10,090,079</u>	<u>10,090,079</u>
Total Other Financing Sources				
	<u>-</u>	<u>-</u>	<u>10,090,079</u>	<u>10,090,079</u>
Total Revenues and Other Financing Sources	<u>24,121,256</u>	<u>24,143,936</u>	<u>35,257,007</u>	<u>11,113,071</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	5,502,957	5,429,375	5,429,173	202
Employee Benefits	3,626,615	3,634,500	3,565,194	69,306
Purchased Prof. and Tech. Services	199,350	225,897	223,256	2,641
Purchased Property Services	4,250	3,250	2,346	904
Other Purchased Services	563,750	639,888	639,257	631
Supplies	185,650	247,127	228,259	18,868
Property	10,800	106,990	106,644	346
Other Objects	37,300	26,271	23,827	2,444
	<u>10,130,672</u>	<u>10,313,298</u>	<u>10,217,956</u>	<u>95,342</u>
Total Regular Programs				
Special Programs				
Personal Services				
Salaries	965,433	988,295	988,295	-
Employee Benefits	609,073	604,321	580,037	24,284
Purchased Prof. and Tech. Services	247,000	211,921	210,896	1,025
Other Purchased Services	996,374	708,001	707,463	538
Supplies	9,000	7,975	4,738	3,237
Property	3,500	538	538	-
Other Objects	200	200	-	200
	<u>2,830,580</u>	<u>2,521,251</u>	<u>2,491,967</u>	<u>29,284</u>
Total Special Programs				
Vocational Education Programs				
Personal Services				
Salaries	216,942	187,657	187,657	-
Employee Benefits	144,533	126,615	125,300	1,315
Other Purchased Services	206,000	181,654	181,654	-
Supplies	19,600	7,746	7,466	280
Property	2,300	2,300	1,287	1,013
	<u>589,375</u>	<u>505,972</u>	<u>503,364</u>	<u>2,608</u>
Total Vocational Education Programs				

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Instructional Programs				
Personal Services				
Salaries	12,500	13,454	13,176	278
Employee Benefits	14,420	29,968	28,889	1,079
Other Purchased Services	135,000	86,563	86,563	-
Supplies	300	300	14,204	(13,904)
Total Other Instructional Programs	<u>162,220</u>	<u>130,285</u>	<u>142,832</u>	<u>(12,547)</u>
Total Instruction	<u>13,712,847</u>	<u>13,470,806</u>	<u>13,356,119</u>	<u>114,687</u>
Support Services				
Pupil Personnel				
Personal Services				
Salaries	316,676	326,755	326,755	-
Employee Benefits	214,314	216,422	215,516	906
Purchased Prof. and Tech. Services	9,500	5,627	5,127	500
Other Purchased Services	3,800	800	-	800
Supplies	6,650	6,650	3,680	2,970
Other Objects	2,000	-	-	-
Total Pupil Personnel	<u>552,940</u>	<u>556,254</u>	<u>551,078</u>	<u>5,176</u>
Instructional Staff				
Personal Services				
Salaries	898,756	704,040	704,038	2
Employee Benefits	572,480	527,823	522,690	5,133
Purchased Prof. and Tech. Services	14,700	22,432	21,010	1,422
Other Purchased Services	2,500	3,140	640	2,500
Supplies	348,650	333,679	327,170	6,509
Property	113,000	141,656	139,008	2,648
Other Objects	3,000	3,100	3,100	-
Total Instructional Staff	<u>1,953,086</u>	<u>1,735,870</u>	<u>1,717,656</u>	<u>18,214</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration				
Personal Services				
Salaries	850,495	818,553	814,268	4,285
Employee Benefits	559,507	562,379	538,626	23,753
Purchased Prof. and Tech. Services	295,600	282,285	280,548	1,737
Other Purchased Services	63,950	42,348	40,046	2,302
Supplies	25,100	20,388	19,650	738
Property	1,500	1,885	538	1,347
Other Objects	30,850	16,445	167,808	(151,363)
Total Administration	<u>1,827,002</u>	<u>1,744,283</u>	<u>1,861,484</u>	<u>(117,201)</u>
Pupil Health				
Personal Services				
Salaries	73,782	72,354	72,354	-
Employee Benefits	58,608	52,771	51,315	1,456
Purchased Prof. and Tech. Services	18,100	7,750	7,191	559
Other Purchased Services	500	500	18	482
Supplies	4,600	4,123	3,468	655
Property	1,200	7,400	6,608	792
Other Objects	250	250	130	120
Total Pupil Health	<u>157,040</u>	<u>145,148</u>	<u>141,084</u>	<u>4,064</u>
Business				
Personal Services				
Salaries	240,326	233,624	233,334	290
Employee Benefits	152,825	149,272	148,898	374
Purchased Prof. and Tech. Services	1,000	-	-	-
Other Purchased Services	10,100	1,176	1,176	-
Supplies	9,000	9,484	9,484	-
Other Objects	8,000	18,901	18,901	-
Total Business	<u>421,251</u>	<u>412,457</u>	<u>411,793</u>	<u>664</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	617,843	585,360	572,246	13,114
Employee Benefits	378,637	391,988	382,170	9,818
Purchased Prof. and Tech. Services	49,000	40,594	36,161	4,433
Purchased Property Services	173,600	225,714	216,892	8,822
Other Purchased Services	114,900	96,172	93,463	2,709
Supplies	312,500	486,876	482,009	4,867
Property	9,500	10,177	3,857	6,320
Other Objects	-	189	189	-
	<u>1,655,980</u>	<u>1,837,070</u>	<u>1,786,987</u>	<u>50,083</u>
 Student Transportation Services				
Personal Services				
Salaries	1,000	1,000	-	1,000
Employee Benefits	-	9	9	-
Other Purchased Services	1,056,754	717,527	717,032	495
	<u>1,057,754</u>	<u>718,536</u>	<u>717,041</u>	<u>1,495</u>
 Other				
Other Purchased Services	20,000	20,000	18,614	1,386
	<u>20,000</u>	<u>20,000</u>	<u>18,614</u>	<u>1,386</u>
 Total Support Services	<u>7,645,053</u>	<u>7,169,618</u>	<u>7,205,737</u>	<u>(36,119)</u>
 Noninstructional Services				
Student Activities				
Personal Services				
Salaries	318,181	277,131	263,073	14,058
Employee Benefits	151,188	85,232	67,122	18,110
Purchased Prof. and Tech. Services	47,400	45,065	34,343	10,722
Purchased Property Services	92,100	96,694	90,223	6,471
Other Purchased Services	82,800	75,450	57,230	18,220
Supplies	18,800	19,875	17,793	2,082
Property	46,400	45,784	40,427	5,357
Other Objects	30,500	30,632	17,710	12,922
	<u>787,369</u>	<u>675,863</u>	<u>587,921</u>	<u>87,942</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Community Services				
Personal Services				
Salaries	6,100	6,341	6,341	-
Employee Benefits	2,571	2,727	2,727	-
Purchased Prof. and Tech. Services	52,000	44,016	39,016	5,000
Supplies	3,000	3,000	-	3,000
Other Objects	2,500	2,500	2,500	-
	<u>66,171</u>	<u>58,584</u>	<u>50,584</u>	<u>8,000</u>
 Total Noninstructional Services	 <u>853,540</u>	 <u>734,447</u>	 <u>638,505</u>	 <u>95,942</u>
 Facilities Acquisition, Construction and Improvement Services				
Purchased Prof. and Tech. Services	20,000	20,000	19,350	650
Property	24,600	11,512	113,889	(102,377)
	<u>44,600</u>	<u>31,512</u>	<u>133,239</u>	<u>(101,727)</u>
 Total Facilities Acquisition, Construction and Improvement Services	 <u>44,600</u>	 <u>31,512</u>	 <u>133,239</u>	 <u>(101,727)</u>
 Debt Service				
Interest	681,567	522,057	505,153	16,904
Refunds of Prior Year's Receipts	-	53,233	53,233	-
Redemption of Principal	1,015,333	988,677	1,015,000	(26,323)
Fiscal Agent Fees	3,000	3,000	2,250	750
	<u>1,699,900</u>	<u>1,566,967</u>	<u>1,575,636</u>	<u>(8,669)</u>
 Total Debt Service	 <u>1,699,900</u>	 <u>1,566,967</u>	 <u>1,575,636</u>	 <u>(8,669)</u>
 Total Expenditures	 <u>23,955,940</u>	 <u>22,973,350</u>	 <u>22,909,236</u>	 <u>64,114</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Uses				
Fund Transfers				
Food Service Fund	-	55,590	83,979	(28,389)
Capital Projects Fund	40,000	1,000,000	1,000,000	-
Payment to Refunded Bond Escrow Agent	-	-	9,826,535	(9,826,535)
Budgetary Reserve	<u>125,316</u>	<u>114,996</u>	<u>-</u>	<u>114,996</u>
Total Other Financing Uses	<u>165,316</u>	<u>1,170,586</u>	<u>10,910,514</u>	<u>(9,739,928)</u>
Total Expenditures and Other Financing Uses	<u>24,121,256</u>	<u>24,143,936</u>	<u>33,819,750</u>	<u>(9,675,814)</u>
Net Change in Fund Balance	-	-	1,437,257	1,437,257
Fund Balance - July 1, 2020	<u>4,068,775</u>	<u>4,068,775</u>	<u>6,288,409</u>	<u>2,219,634</u>
Fund Balance - June 30, 2021	<u>\$ 4,068,775</u>	<u>\$ 4,068,775</u>	<u>\$ 7,725,666</u>	<u>\$ 3,656,891</u>

Riverview School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2021

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 Six Years

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability						
Service Cost	\$ 124,751	\$ 105,627	\$ 102,800	\$ 126,685	\$ 123,294	\$ -
Interest	72,734	92,870	89,265	85,752	83,300	-
Changes in Benefit Terms	50,217	-	-	-	-	-
Difference Between Expected and Actual Experience	51,368	-	(136,317)	-	-	-
Changes in Assumptions and Other Inputs	298,355	-	(243,818)	-	-	-
Benefit Payments	<u>(135,133)</u>	<u>(82,188)</u>	<u>(101,406)</u>	<u>(131,313)</u>	<u>(125,216)</u>	<u>-</u>
Net Change in Total OPEB Liability	462,292	116,309	(289,476)	81,124	81,378	-
Total OPEB Liability - Beginning	<u>2,704,860</u>	<u>2,588,551</u>	<u>2,878,027</u>	<u>2,796,903</u>	<u>2,715,525</u>	<u>-</u>
Total OPEB Liability - Ending	<u><u>\$ 3,167,152</u></u>	<u><u>\$ 2,704,860</u></u>	<u><u>\$ 2,588,551</u></u>	<u><u>\$ 2,878,027</u></u>	<u><u>\$ 2,796,903</u></u>	<u><u>\$ 2,715,525</u></u>
Covered-Employee Payroll	\$ 9,006,410	\$ 8,815,447	\$ 8,837,211	\$ 8,944,863	\$ 9,234,287	N/A
Total OPEB Liability as a Percentage of Covered-Employee Payroll	35.17%	30.68%	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 decreased from 3.5% to 2.3%

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 Seven Years**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 3,179,410	\$ 3,056,373	\$ 3,003,909	\$ 2,916,533	\$ 2,760,552	\$ 2,141,870	\$ 1,707,636
Contributions in Relation to the Contractually Required Contribution	<u>3,179,410</u>	<u>3,056,373</u>	<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	\$ 9,375,982	\$ 9,188,241	\$ 9,961,273	\$ 9,360,230	\$ 9,641,969	\$ 8,797,812	\$ 8,671,620
Contributions as a Percentage of Covered Payroll	33.91%	33.26%	30.16%	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 Eight Years
(Dollar Amount in Thousands)**

	June 30, 2020	June 30, 2019	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)	0.0656%	0.0722%	0.0636%	0.0724%	0.0679%	0.0669%	0.0652%	0.0665%
School District's Proportionate Share of the Net Pension Liability (Asset)	\$ 32,301	\$ 33,777	\$ 30,531	\$ 35,757	\$ 33,649	\$ 28,978	\$ 25,807	\$ 27,223
School District's Covered Payroll	\$ 9,188	\$ 9,961	\$ 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	351.56%	339.09%	326.19%	370.85%	382.46%	334.16%	310.33%	318.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

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 OPEB Plan
Last Four Years**

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 78,590	\$ 77,407	\$ 76,378	\$ 77,690
Contributions in Relation to the Contractually Required Contribution	<u>78,590</u>	<u>77,407</u>	<u>76,378</u>	<u>77,690</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 9,375,982	\$ 9,188,241	\$ 9,961,273	\$ 9,360,230
Contributions as a Percentage of Covered Payroll	0.84%	0.84%	0.77%	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 Four Years
(Dollar Amount in Thousands)**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0655%	0.0722%	0.0636%	0.0724%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,415	\$ 1,536	\$ 1,326	\$ 1,475
School District's Covered Payroll	\$ 9,188	\$ 9,961	\$ 9,360	\$ 9,642
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	15.40%	15.42%	14.17%	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.69%	5.56%	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.

SINGLE AUDIT SECTION

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Members of the Board
Riverview School District
Oakmont, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Riverview School District for the period ended June 30, 2021 were prepared to fulfill the requirements of the Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports are as follows:

- A. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- C. Schedule of Findings and Questioned Costs
- D. Schedule of Expenditures of Federal Awards
- E. List of Report Distribution

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
January 4, 2022

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EXHIBIT A

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board
Riverview School District
Oakmont, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021, and the related notes to the financial statements, which collectively comprise Riverview School District's basic financial statements, and have issued our report thereon dated January 4, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverview School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverview School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Riverview School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverview School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
January 4, 2022

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EXHIBIT B

**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

Members of the Board
Riverview School District
Oakmont, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Riverview School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Riverview School District's major federal programs for the year ended June 30, 2021. Riverview School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Riverview School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Riverview School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Riverview School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Riverview School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Riverview School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Riverview School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Riverview School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
January 4, 2022

**Riverview School District
Schedule of Findings and Questioned Costs
June 30, 2021**

EXHIBIT C

Financial Statements

Type of auditor's report was unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes ✓ no
- Significant deficiency(ies) identified? _____ yes ✓ none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ yes ✓ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553; 10.555	Nutrition Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

**Riverview School District
Schedule of Findings and Questioned Costs
June 30, 2021**

EXHIBIT C

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – Status of Prior Year’s Findings

No prior year’s findings.

**Riverview School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/20	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/2021
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I Improving Basic Programs	I	84.010	013-210365	08/19/20-09/30/21	\$ 188,020	\$ 121,305	\$ -	\$ 188,020	\$ 188,020	\$ 66,715
Title I Improving Basic Programs	I	84.010	013-200365	07/12/19-09/30/20	185,237	37,043	74,087	-	-	37,044
						158,348	74,087	188,020	188,020	103,759
Title IIA Teachers in the Workplace	I	84.367	220-200365	11/20/19-09/30/21	25,000	9,091	(3,905)	13,946	13,946	950
Title II Improving Teacher Quality	I	84.367	020-210365	08/19/20-09/30/21	32,305	32,253	-	32,305	32,305	52
Title II Improving Teacher Quality	I	84.367	020-200365	07/12/19-09/30/20	36,818	9,667	9,667	-	-	-
						51,011	5,762	46,251	46,251	1,002
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-210365	08/19/20-09/30/21	14,048	14,048	-	14,048	14,048	-
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-200365	07/12/19-09/30/20	14,105	1,881	5,642	-	-	3,761
						15,929	5,642	14,048	14,048	3,761
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)										
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-200365	03/13/20-09/30/21	152,143	152,143	-	152,143	152,143	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-210365	03/13/20-09/30/23	695,828	48,546	-	4,521	4,521	(44,025)
						200,689	-	156,664	156,664	(44,025)
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 School Health and Safety Grant	I	84.425D	2020-ES-01-35325	3/13/20-09/30/22	30,239	30,000	-	30,239	30,239	239
						230,689	-	186,903	186,903	(43,786)
Special Education Cluster										
Passed through the Pennsylvania Department of Education										
Special Education Cluster										
COVID-19 SECIM	I	84.027	252-200365	07/01/20-09/30/21	11,247	3,749	-	8,671	8,671	4,922
Passed through the Allegheny Intermediate Unit										
IDEA B	I	84.027	062-210003	07/01/20-09/30/21	201,258	201,258	-	201,258	201,258	-
IDEA B	I	84.027	062-200003	07/01/19-09/30/20	182,631	-	-	-	-	-
IDEA B Section 619	I	84.173	131-200003	07/01/20-06/30/21	476	476	-	476	476	-
Subtotal Special Education Cluster						205,483	-	210,405	210,405	4,922
Subtotal U.S. Department of Education						661,460	85,491	645,627	645,627	69,658

**Riverview School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

EXHIBIT D

Federal Grantor/ Pass Through Grantor/ Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue 07/01/20	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/2021
U.S. Department of Treasury Passed through the Pennsylvania Commission on Crime and Delinquency COVID-19 School Health and Safety Grant	I	21.019	2020-CS-01-34109	03/01/20-10/30/20	157,644	<u>157,644</u>	<u>5,030</u>	<u>152,614</u>	<u>152,614</u>	<u>-</u>
U.S. Department of Health and Human Services Passed through the Pennsylvania Department of Public Welfare Medical Assistance Reimb. for Adm. Title 19	I	93.778	N/A	07/01/20-06/30/21	N/A	<u>1,291</u>	<u>660</u>	<u>1,652</u>	<u>1,652</u>	<u>1,021</u>
U.S. Department of Agriculture Farm to School Grant	D	10.575	N/A	07/15/20-06/30/22	100,000	64,220	-	64,220	64,220	-
Passed through the Pennsylvania Department of Education National School Lunch Program	I	10.555	N/A	07/01/20-06/30/21	N/A	221,077	10,704	225,165	225,165	14,792
National School Breakfast Program	I	10.553	N/A	07/01/20-06/30/21	N/A	103,233	1,748	106,268	106,268	4,783
Passed through the Pennsylvania Department of Agriculture National School Lunch Program (Donated Commodities Non Cash Assistance)	I	10.555	N/A	07/01/20-06/30/21	N/A	<u>38,708</u>	<u>(7,458)</u>	<u>41,262</u>	<u>41,262</u>	<u>(4,904)</u>
Total Child Nutrition Cluster						<u>363,018</u>	<u>4,994</u>	<u>372,695</u>	<u>372,695</u>	<u>14,671</u>
Total U.S. Department of Agriculture						<u>427,238</u>	<u>4,994</u>	<u>436,915</u>	<u>436,915</u>	<u>14,671</u>
Total Federal Financial Assistance						<u>\$ 1,247,633</u>	<u>\$ 96,175</u>	<u>\$ 1,236,808</u>	<u>\$ 1,236,808</u>	<u>\$ 85,350</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**Riverview School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

EXHIBIT D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Riverview School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Riverview School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Riverview School District.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Riverview School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

Amounts Received Per Schedule	\$ 1,247,633
Less: Commodities Received	(38,708)
Less: Passage Through AIU	(201,734)
Less: Farm to School Grant	(64,220)
Less: Title 19	(1,291)
Less: Passage Through PCCD	(187,644)
Add: Medical Assistance - Access	20,000
Add: State Funding on Confirmation	<u>18,580</u>
 Per Subsidy Confirmation	 <u><u>\$ 792,616</u></u>

Note E - Subrecipients

The School District did not pass through any federal expenditures to subrecipients.

**Riverview School District
List of Report Distribution
June 30, 2021**

EXHIBIT F

1 Copy – Bureau of Audits

1 Copy – Bureau of the Census