

**Riverview School District
Financial Statements
June 30, 2022**

**Riverview School District
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Independent Auditor's Report

Members of the Board
Riverview School District
Oakmont, Pennsylvania

Opinions

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, 2022, 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.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverview School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 15 to the financial statements, Riverview School District adopted new accounting guidance, GASB Statement No. 87 "*Leases*". Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverview School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of Riverview School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverview School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Supplementary 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, 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*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 March 10, 2023, 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 solely 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
March 10, 2023

**Riverview School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022. 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, 2022**

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

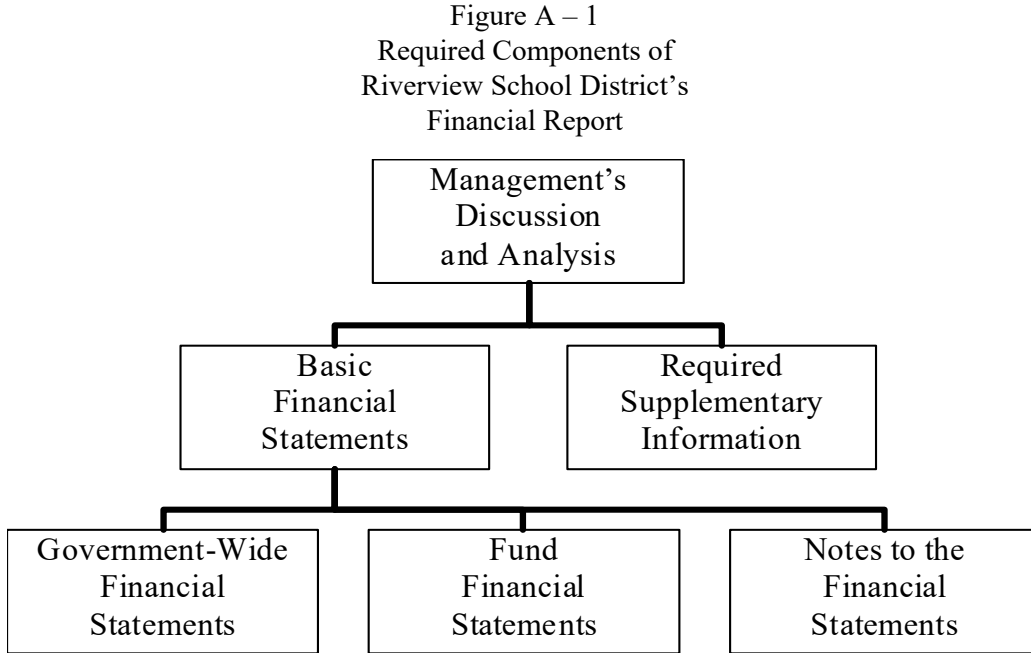


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents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

**Riverview School District
Management's Discussion and Analysis
June 30, 2022**

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

	Government-Wide	Fund Statements		
	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, 2022**

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, 2022**

Financial Analysis of the School District as a Whole

The School District's total net position was a deficit \$(15,185,252) at June 30, 2022 and a deficit \$(18,665,144) at June 30, 2021.

Table A - 1
Years Ended June 30, 2022 and 2021
Net Position

	2022			2021		
	Governmental	Business-	Totals	Governmental	Business-	Totals
	Activities	Type Activities		Activities	Type Activities	
Current and Other Assets	\$ 18,955,825	\$ 279,773	\$ 19,235,598	\$ 20,280,702	\$ 122,379	\$ 20,403,081
Capital Assets	<u>23,653,459</u>	<u>21,309</u>	<u>23,674,768</u>	<u>21,677,451</u>	<u>29,759</u>	<u>21,707,210</u>
Total Assets	<u>42,609,284</u>	<u>301,082</u>	<u>42,910,366</u>	<u>41,958,153</u>	<u>152,138</u>	<u>42,110,291</u>
Deferred Outflows of Resources	<u>7,478,882</u>	<u>-</u>	<u>7,478,882</u>	<u>8,147,485</u>	<u>-</u>	<u>8,147,485</u>
Current and Other Liabilities	3,220,702	25,948	3,246,650	3,402,047	12,620	3,414,667
Noncurrent Liabilities						
Due Within One Year	976,246	-	976,246	900,000	-	900,000
Due in More Than One Year	<u>54,608,440</u>	<u>-</u>	<u>54,608,440</u>	<u>59,912,361</u>	<u>-</u>	<u>59,912,361</u>
Total Liabilities	<u>58,805,388</u>	<u>25,948</u>	<u>58,831,336</u>	<u>64,214,408</u>	<u>12,620</u>	<u>64,227,028</u>
Deferred Inflows of Resources	<u>6,743,164</u>	<u>-</u>	<u>6,743,164</u>	<u>4,695,892</u>	<u>-</u>	<u>4,695,892</u>
Net Position						
Net Investment in Capital Assets	3,327,125	21,309	3,348,434	4,249,353	29,759	4,279,112
Unrestricted	<u>(18,787,511)</u>	<u>253,825</u>	<u>(18,533,686)</u>	<u>(23,054,015)</u>	<u>109,759</u>	<u>(22,944,256)</u>
Total Net Position	<u>\$ (15,460,386)</u>	<u>\$ 275,134</u>	<u>\$ (15,185,252)</u>	<u>\$ (18,804,662)</u>	<u>\$ 139,518</u>	<u>\$ (18,665,144)</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, 2022**

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, 2022 and 2021
Changes in Net Position

	2022			2021		
	Governmental Activities	Business- Type Activities	Totals	Governmental Activities	Business- Type Activities	Totals
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ 85,326	\$ 85,326	\$ -	\$ 10,670	\$ 10,670
Operating Grants and Contribs.	4,681,872	642,214	5,324,086	3,978,967	386,468	4,365,435
Capital Grants and Contribs.	200,156	-	200,156	198,886	-	198,886
General Revenues						
Property Taxes	15,723,867	-	15,723,867	15,462,567	-	15,462,567
Other Taxes	2,158,940	-	2,158,940	1,980,453	-	1,980,453
Grants, Subsidies and Contribs.						
Unrestricted	3,585,967	-	3,585,967	3,451,092	-	3,451,092
Other Revenues	60,358	-	60,358	61,189	128	61,317
Transfers	-	-	-	(83,979)	83,979	-
Total Revenues	26,411,160	727,540	27,138,700	25,049,175	481,245	25,530,420
Expenses						
Instruction	13,836,874	-	13,836,874	13,963,966	-	13,963,966
Instructional Student Support	2,555,345	-	2,555,345	2,590,583	-	2,590,583
Admin. and Fin. Support Svcs.	2,159,323	-	2,159,323	2,309,021	-	2,309,021
Operation and Maintenance						
of Plant Services	2,229,872	-	2,229,872	2,452,391	-	2,452,391
Pupil Transportation	866,353	-	866,353	717,041	-	717,041
Student Activities	696,204	-	696,204	638,345	-	638,345
Community Services	57,501	-	57,501	50,513	-	50,513
Interest on Long-Term Debt	663,786	-	663,786	573,305	-	573,305
Food Service	-	591,924	591,924	-	456,875	456,875
Total Expenses	23,065,258	591,924	23,657,182	23,295,165	456,875	23,752,040
Increase (Decrease) in Net Position	3,345,902	135,616	3,481,518	1,754,010	24,370	1,778,380
Beginning Net Position						
(Restated See Note 15)	(18,806,288)	139,518	(18,666,770)	(20,558,672)	115,148	(20,443,524)
Ending Net Position	\$ (15,460,386)	\$ 275,134	\$ (15,185,252)	\$ (18,804,662)	\$ 139,518	\$ (18,665,144)

**Riverview School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022 and 2021
Governmental Activities

	2022		2021	
	Total Cost (Expense) of Services	Net Cost (Expense) of Services	Total Cost (Expense) of Services	Net Cost (Expense) of Services
Functions/Programs				
Instruction	\$ 13,836,874	\$ 10,810,657	\$ 13,963,966	\$ 11,027,813
Instructional Student Support	2,555,345	2,236,518	2,590,583	2,253,480
Admin. and Fin. Support Svcs.	2,159,323	1,275,883	2,309,021	2,091,679
Operation and Maintenance of Plant Services	2,229,872	2,034,982	2,452,391	2,210,006
Pupil Transportation	866,353	641,296	717,041	500,494
Student Activities	696,204	664,089	638,345	610,238
Community Services	57,501	56,175	50,513	49,183
Interest on Long-Term Debt	<u>663,786</u>	<u>463,630</u>	<u>573,305</u>	<u>374,419</u>
 Total Governmental Activities	 <u>\$ 23,065,258</u>	 18,183,230	 <u>\$ 23,295,165</u>	 19,117,312
 Less:				
Unrestricted Grants, Subsidies		<u>(3,585,967)</u>		<u>(3,451,092)</u>
 Total Needs from Local Taxes and Other Revenues		 <u>\$ 14,597,263</u>		 <u>\$ 15,666,220</u>

**Riverview School District
Management's Discussion and Analysis
June 30, 2022**

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, 2022 and 2021
Business-Type Activities

	2022		2021	
	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>\$ 591,924</u>	\$ (135,616)	<u>\$ 456,875</u>	\$ 59,737
Add/Less:				
Investment Earnings		-		(128)
Transfers		<u>-</u>		<u>(83,979)</u>
Total Business-Type Activities		<u>\$ (135,616)</u>		<u>\$ (24,370)</u>

School District Funds

As of June 30, 2022, the School District had a general fund balance of \$8,143,791, which is an increase of \$386,149 over year-end June 30, 2021.

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, 2022**

Capital Assets and Debt Administration

Capital Assets

At June 30, 2022, the School District had net capital assets of \$23,531,804 which included land, buildings, construction in progress and furniture and equipment.

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

	2022	2021
Land and Land Improvements	\$ 328,261	\$ 328,261
Buildings and Building Improvements	18,732,631	19,532,443
Furniture and Equipment	325,405	120,214
Construction in Progress	4,145,507	1,696,533

Debt Administration

As of June 30, 2022, the School District had a total of \$22,665,000 in long-term liabilities consisting of general obligation bonds.

Table A - 6
Outstanding Debt

General Obligation Bonds/Notes	As of 06/30/22	As of 06/30/21
Bonds - Series of 2010B	\$ 565,000	\$ 570,000
Bonds - Series of 2018	7,185,000	7,190,000
Bonds - Series of 2020	7,210,000	7,215,000
Bonds - Series of 2020A	4,620,000	5,480,000
Bonds - Series of 2020B	3,085,000	3,090,000

Economic Factors and Next Year's Budget and Rates

Contracted and mandated including but limited to salaries, PSERS retirement contributions, special education and transportation costs continue to increase and will greatly affect the 2022/2023 budget. Instability with state funding commitments, as well as an increase in median household income within the communities, both 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 reductions 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 4.1% if needed for the 2023/2024 school year.

**Riverview School District
Management's Discussion and Analysis
June 30, 2022**

Table A - 7

	Budgeted Revenue 2022/2023	Actual Revenue 2021/2022
Local	68.5%	68.9%
State	26.0%	26.4%
Federal/Other	5.5%	4.7%
	Budgeted Expenditures 2022/2023	Actual Expenditures 2021/2022
Instruction	55.8%	54.6%
Support Services	30.4%	30.6%
Noninstructional Services	3.0%	2.8%
Fund Transfers/Debt/Other	10.8%	12.0%

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. Joan Wehner, Riverview School District, 701 Tenth Street, Oakmont, PA 15139, 412-828-1800.

**Riverview School District
Statement of Net Position
June 30, 2022**

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 15,993,797	\$ 178,662	\$ 16,172,459
Taxes Receivable, Net	1,782,518	-	1,782,518
Internal Balances	1,227	(1,227)	-
Due From Other Governments	952,956	90,973	1,043,929
Other Receivables	-	124	124
Inventories	-	11,241	11,241
Prepaid Items	210,180	-	210,180
Other Current Assets	15,147	-	15,147
Capital Assets not Being Depreciated			
Land	233,521	-	233,521
Construction in Progress	4,145,507	-	4,145,507
Capital Assets, Net of Accumulated Depreciation			
Land Improvements	94,740	-	94,740
Building & Building Improvements	18,732,631	-	18,732,631
Furniture & Equipment	325,405	21,309	346,714
Intangible Right-to-Use Assets, Net of Amort.	121,655	-	121,655
TOTAL ASSETS	42,609,284	301,082	42,910,366
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	327,576	-	327,576
Amounts Related to OPEB - District	262,293	-	262,293
Amounts Related to OPEB - PSERS	428,599	-	428,599
Amounts Related to Pension	6,460,414	-	6,460,414
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,478,882	-	7,478,882
LIABILITIES			
Accounts Payable	204,332	14,792	219,124
Contracts Payable	98,243	-	98,243
Accrued Salaries and Benefits	2,684,862	-	2,684,862
Payroll Deductions and Withholdings	1,383	-	1,383
Unearned Revenues	-	11,156	11,156
Other Current Liabilities	231,882	-	231,882
Noncurrent Liabilities:			
Due Within One Year	976,246	-	976,246
Due in More Than One Year:			
Notes Payable	40,000	-	40,000
Lease Payable	85,308	-	85,308
Compensated Absences	42,180	-	42,180
Bonds Payable	21,984,639	-	21,984,639
Other Post-Employment Benefits - District	3,277,313	-	3,277,313
Other Post-Employment Benefits - PSERS	1,589,000	-	1,589,000
Net Pension Liability	27,590,000	-	27,590,000
TOTAL LIABILITIES	58,805,388	25,948	58,831,336
DEFERRED INFLOWS OF RESOURCES			
Amounts Related to OPEB - District	194,703	-	194,703
Amounts Related to OPEB - PSERS	202,596	-	202,596
Amounts Related to Pension	6,345,865	-	6,345,865
TOTAL DEFERRED INFLOWS OF RESOURCES	6,743,164	-	6,743,164
NET POSITION			
Net Investment in Capital Assets	3,327,125	21,309	3,348,434
Unrestricted	(18,787,511)	253,825	(18,533,686)
TOTAL NET POSITION	\$ (15,460,386)	\$ 275,134	\$ (15,185,252)

See Accompanying Notes

**Riverview School District
Statement of Activities
Year Ended June 30, 2022**

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	\$ 13,836,874	\$ -	\$ 3,026,217	\$ -	\$ (10,810,657)	\$ -	\$ (10,810,657)
Instructional Student Support	2,555,345	-	318,827	-	(2,236,518)	-	(2,236,518)
Administrative and Financial Support Services	2,159,323	-	883,440	-	(1,275,883)	-	(1,275,883)
Operation and Maintenance of Plant Services	2,229,872	-	194,890	-	(2,034,982)	-	(2,034,982)
Pupil Transportation	866,353	-	225,057	-	(641,296)	-	(641,296)
Student Activities	696,204	-	32,115	-	(664,089)	-	(664,089)
Community Services	57,501	-	1,326	-	(56,175)	-	(56,175)
Interest on Long-Term Debt	663,786	-	-	200,156	(463,630)	-	(463,630)
Total Governmental Activities	23,065,258	-	4,681,872	200,156	(18,183,230)	-	(18,183,230)
Business-type Activities:							
Food Service	591,924	85,326	642,214	-	-	135,616	135,616
Total Primary Government	\$ 23,657,182	\$ 85,326	\$ 5,324,086	\$ 200,156	(18,183,230)	135,616	(18,047,614)
General Revenues							
Taxes							
Property Taxes Levied for General Purposes, Net					15,723,867	-	15,723,867
Earned Income Taxes					1,746,417	-	1,746,417
Real Estate Transfer Taxes					374,647	-	374,647
Other Taxes Levied for General Purposes, Net					37,876	-	37,876
Grants, Subsidies and Contributions not Restricted					3,585,967	-	3,585,967
Investment Earnings					21,317	-	21,317
Miscellaneous Income					39,635	-	39,635
Loss on Disposal of Assets					(594)	-	(594)
Total General Revenues					21,529,132	-	21,529,132
Change in Net Position					3,345,902	135,616	3,481,518
Net Position - July 1, 2021 (Restated - See Note 15)					(18,806,288)	139,518	(18,666,770)
Net Position - June 30, 2022					\$ (15,460,386)	\$ 275,134	\$ (15,185,252)

See Accompanying Notes

**Riverview School District
Balance Sheet
Governmental Funds
June 30, 2022**

Exhibit 3

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 9,504,442	\$ 6,489,355	\$ 15,993,797
Taxes Receivable, Net	1,782,518	-	1,782,518
Due from Other Funds	1,227	-	1,227
Due from Other Governments	952,956	-	952,956
Prepaid Items	210,180	-	210,180
Other Current Assets	15,147	-	15,147
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 12,466,470</u>	<u>\$ 6,489,355</u>	<u>\$ 18,955,825</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 204,332	\$ -	\$ 204,332
Contracts Payable	-	98,243	98,243
Accrued Salaries and Benefits	2,684,862	-	2,684,862
Payroll Deductions and Withholdings	1,383	-	1,383
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>2,890,577</u>	<u>98,243</u>	<u>2,988,820</u>
Deferred Inflows of Resources			
Unavailable Revenues - Property Taxes	1,432,102	-	1,432,102
	<hr/>	<hr/>	<hr/>
Fund Balances			
Nonspendable	210,180	-	210,180
Restricted	-	2,430,283	2,430,283
Committed	5,293,458	3,960,829	9,254,287
Assigned	541,277	-	541,277
Unassigned	2,098,876	-	2,098,876
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>8,143,791</u>	<u>6,391,112</u>	<u>14,534,903</u>
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,466,470</u>	<u>\$ 6,489,355</u>	<u>\$ 18,955,825</u>

See Accompanying Notes

**Riverview School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022**

Exhibit 4

Total Fund Balances - Governmental Funds \$ 14,534,903

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 \$38,453,662, and the accumulated depreciation is \$14,921,858. 23,531,804

Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is \$197,279 and the accumulated amortization is \$75,624. 121,655

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. 1,432,102

Premiums and discounts on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. (234,639)

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. 327,576

Long-term liabilities, including bonds, leases 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	\$ (22,665,000)	
Accrued Interest on the Bonds	(231,882)	
Lease Payable	(124,554)	
Notes Payable	(60,000)	
Compensated Absences	<u>(44,180)</u>	(23,125,616)

Riverview School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

Exhibit 4

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	(1,589,000)	
OPEB Liability - District	(3,277,313)	
Net Pension Liability	(27,590,000)	(32,456,313)

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	6,460,414	
Deferred Inflows of Resources Related to Pensions	(6,345,865)	
Deferred Outflows of Resources Related to OPEB - PSERS	428,599	
Deferred Inflows of Resources Related to OPEB - PSERS	(202,596)	
Deferred Outflows of Resources Related to OPEB - District	262,293	
Deferred Inflows of Resources Related to OPEB - District	(194,703)	408,142

Total Net Position - Governmental Activities		\$ (15,460,386)
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See Accompanying Notes

**Riverview School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022**

Exhibit 5

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Local Sources	\$ 18,270,358	\$ 8,674	\$ 18,279,032
State Sources	6,988,966	-	6,988,966
Federal Sources	1,248,584	-	1,248,584
	<hr/>	<hr/>	<hr/>
Total Revenues	26,507,908	8,674	26,516,582
	<hr/>	<hr/>	<hr/>
Expenditures			
Instruction	14,238,431	-	14,238,431
Support Services	7,976,721	744	7,977,465
Noninstructional Services	728,356	-	728,356
Capital Outlay	10,000	2,874,570	2,884,570
Debt Service (Principal & Interest)	1,607,295	-	1,607,295
Refunds of Prior Year's Receipts	128,980	-	128,980
	<hr/>	<hr/>	<hr/>
Total Expenditures	24,689,783	2,875,314	27,565,097
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	1,818,125	(2,866,640)	(1,048,515)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Transfers In	-	1,400,000	1,400,000
Transfers Out	(1,400,000)	-	(1,400,000)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(1,400,000)	1,400,000	-
	<hr/>	<hr/>	<hr/>
Net Changes in Fund Balances	418,125	(1,466,640)	(1,048,515)
	<hr/>	<hr/>	<hr/>
Fund Balances - July 1, 2021	7,725,666	7,857,752	15,583,418
	<hr/>	<hr/>	<hr/>
Fund Balances - June 30, 2022	<u>\$ 8,143,791</u>	<u>\$ 6,391,112</u>	<u>\$ 14,534,903</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, 2022**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ (1,048,515)

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	\$ (880,682)	
Intangible Right-to-Use Assets Amortization	(39,456)	
Capital Outlays	2,735,629	
Loss on Disposal	<u>(594)</u>	1,814,897

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 decreased by this amount this year. (104,828)

Repayment of bond, lease and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 938,183

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	(6,800)	
Other Post-Employment Benefits - PSERS	(10,141)	
Other Post-Employment Benefits - District	<u>(107,518)</u>	(124,459)

**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, 2022**

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		9,811
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Bond discount, premium and deferred charges are reported in the statement of revenues and expenditures of governmental funds as expenditures, but are capitalized and amortized over the life of the bonds in the statement activities.

Amortization of Discount, Premium and Deferred Loss on Refunding		(4,485)
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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	3,509,414		
Cost of Benefits Earned	<u>(1,644,116)</u>	<u>1,865,298</u>	

Change in Net Position of Governmental Activities		<u>\$ 3,345,902</u>
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See Accompanying Notes

**Riverview School District
Statement of Net Position
Proprietary Funds
June 30, 2022**

Exhibit 7

	Food Service Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 178,662
Due From Other Governments	90,973
Other Receivables	124
Inventories	<u>11,241</u>
Total Current Assets	<u>281,000</u>
Noncurrent Assets	
Furniture and Equipment, Net	<u>21,309</u>
TOTAL ASSETS	<u><u>302,309</u></u>
LIABILITIES	
Due to Other Funds	1,227
Accounts Payable	14,792
Unearned Revenues	<u>11,156</u>
TOTAL LIABILITIES	<u>27,175</u>
NET POSITION	
Invested in Capital Assets	21,309
Unrestricted	<u>253,825</u>
TOTAL NET POSITION	<u><u>\$ 275,134</u></u>

See Accompanying Notes

Riverview School District
Statement of Revenues, Expenses and Changes
in Net Position
Proprietary Funds
Year Ended June 30, 2022

Exhibit 8

	Food Service Fund
Operating Revenues	
Food Service Revenue	<u>\$ 85,326</u>
Operating Expenses	
Other Purchased Services	527,890
Supplies	52,981
Depreciation	8,450
Dues and Fees	<u>2,603</u>
Total Operating Expenses	<u>591,924</u>
Operating Income (Loss)	<u>(506,598)</u>
Nonoperating Revenues (Expenses)	
State Sources	14,987
Federal Sources	<u>627,227</u>
Total Nonoperating Revenues (Expenses)	<u>642,214</u>
Change in Net Position	135,616
Net Position - July 1, 2021	<u>139,518</u>
Net Position - June 30, 2022	<u><u>\$ 275,134</u></u>

See Accompanying Notes

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022**

Exhibit 9

	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 91,578
Cash Payments to Suppliers for Goods and Services	(519,843)
Cash Payments for Other Operating Expenses	<u>(2,603)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(430,868)</u>
Cash Flows From Non-Capital Financing Activities	
State Sources	12,830
Federal Sources	<u>505,784</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>518,614</u>
Net Increase (Decrease) in Cash and Cash Flows	87,746
Cash and Cash Equivalents - July 1, 2021	<u>90,916</u>
Cash and Cash Equivalents - June 30, 2022	<u>\$ 178,662</u>

**Riverview School District
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022**

Exhibit 9

	Food Service Fund
Operating Income (Loss)	\$ (506,598)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	8,450
Donated Commodities	52,981
(Increase) Decrease in Inventories	971
Increase (Decrease) in Accounts Payable	7,076
Increase (Decrease) in Deferred Revenue	<u>6,252</u>
Total Adjustments	<u>75,730</u>
Cash Provided by (Used for) Operating Activities	<u><u>\$ (430,868)</u></u>

Noncash Non-Capital Financing Activities

During the year ended June 30, 2022, the School District received \$50,799 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, 2022**

Exhibit 10

	Private Purpose Trust	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 47,313	\$ 32,641
NET POSITION		
Restricted for:		
Scholarships	47,313	-
Student Groups	-	32,641
TOTAL NET POSITION	\$ 47,313	\$ 32,641

See Accompanying Notes

**Riverview School District
Statement of Change in Net Position
Fiduciary Funds
Year Ended June 30, 2022**

Exhibit 11

	Private Purpose Trust	Custodial Funds
Additions		
Revenue from Student Activities	\$ -	\$ 82,238
Interest Earnings	10	16
	10	82,254
Total Additions	10	82,254
Deductions		
Scholarships Awarded	6,750	-
Student Activities Program Expense	-	85,444
	6,750	85,444
Total Deductions	6,750	85,444
Change in Net Position	(6,740)	(3,190)
Net Position - July 1, 2021	54,053	35,831
Net Position - June 30, 2022	\$ 47,313	\$ 32,641

See Accompanying Notes

Riverview School District
Notes to Financial Statements
June 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022 was \$144,440 which has been reported in the School District's general fund. The School District has no equity interest in FRCTC as of June 30, 2022. 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, 2022 was approximately \$5,000 which has been reported in the School District's general fund. The School District has no equity interest in Eastern as of June 30, 2022. 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, 2022

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, 2022.

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, 2022.

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, 2022 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

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. Intangible Right-to-Use Assets

The School District has recorded intangible right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payment made prior to the lease term, less any lease incentives, and plus any ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

M. 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.

N. 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

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.

O. 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 assets that applies to future periods 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 are 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 assets that applies to future periods 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.

P. 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.

Q. 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

R. 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.

S. 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

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, 2022, are as follows:

1. The nonspendable fund balance in the general fund of \$210,180 is for prepaid items.
2. The restricted funds in the capital projects fund of \$2,430,283 are for the School District-wide improvement project.
3. The committed fund balance in the capital projects fund of \$3,960,829 is for future capital projects and improvements.
4. The committed fund balance in the general fund of \$5,293,458 is for capital projects, capital improvements and retirement contributions.
5. The assigned fund balance in the general fund of \$541,277 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, 2022, \$423,796 of the School District's bank balance of \$2,163,296 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>\$423,796</u>

As of June 30, 2022, the School District had the following investments:

Investments	Fair Value
PLGIT	<u>\$13,632,186</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.

Riverview School District
Notes to Financial Statements
June 30, 2022

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

Investments

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

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

Note 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 2021/2022 was 23.272 mills (\$23.27 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2021/2022 is as follows:

Tax Levy Date	July 1, 2021
2% Discount Period	Through August 31, 2021
Face Payment Period	September 1 - October 31, 2021
10% Penalty Period	November 1 Until Liened
Lien Filing Date	July 1, 2022

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 \$1,432,102 net of estimated uncollectible amounts, along with other taxes receivable of \$350,416.

Riverview School District
Notes to Financial Statements
June 30, 2022

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2022, the following amounts are due from other governmental units:

	Governmental Funds	Business-Type Activities	Totals
Federal (through the state)	\$ 162,515	\$ 88,037	\$ 250,552
State	<u>790,441</u>	<u>2,936</u>	<u>793,377</u>
	<u>\$ 952,956</u>	<u>\$ 90,973</u>	<u>\$ 1,043,929</u>

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance 07/01/21	Additions	Disposals/ Transfers	Balance 06/30/22
Governmental Activities				
Capital Assets not Being Depreciated				
Land	\$ 233,521	\$ -	\$ -	\$ 233,521
Construction in Progress	<u>1,696,533</u>	<u>2,448,974</u>	<u>-</u>	<u>4,145,507</u>
Total Capital Assets not Being Depreciated	<u>1,930,054</u>	<u>2,448,974</u>	<u>-</u>	<u>4,379,028</u>
Capital Assets Being Depreciated				
Land Improvements	258,715	-	-	258,715
Buildings and Building Improv.	31,040,760	-	-	31,040,760
Furniture and Equipment	<u>2,500,378</u>	<u>286,655</u>	<u>(11,874)</u>	<u>2,775,159</u>
Total Capital Assets Being Depreciated	<u>33,799,853</u>	<u>286,655</u>	<u>(11,874)</u>	<u>34,074,634</u>
Less Accumulated Depreciation				
Land Improvements	163,975	-	-	163,975
Buildings and Building Improv.	11,508,317	799,812	-	12,308,129
Furniture and Equipment	<u>2,380,164</u>	<u>80,870</u>	<u>(11,280)</u>	<u>2,449,754</u>
Total Accumulated Depreciation	<u>14,052,456</u>	<u>880,682</u>	<u>(11,280)</u>	<u>14,921,858</u>
Total Capital Assets Being Depreciated, Net	<u>19,747,397</u>	<u>(594,027)</u>	<u>(594)</u>	<u>19,152,776</u>
Governmental Activities Capital Assets, Net	<u>\$21,677,451</u>	<u>\$ 1,854,947</u>	<u>\$ (594)</u>	<u>\$23,531,804</u>

Riverview School District
Notes to Financial Statements
June 30, 2022

	Balance 07/01/21	Additions	Disposals/ Transfers	Balance 06/30/22
Business-Type Activities				
Furniture and Equipment	\$ 309,707	\$ -	\$ -	\$ 309,707
Less Accumulated Depreciation and Equipment	<u>279,948</u>	<u>8,450</u>	<u>-</u>	<u>288,398</u>
Business-Type Activities Capital Assets, Net	<u>\$ 29,759</u>	<u>\$ (8,450)</u>	<u>\$ -</u>	<u>\$ 21,309</u>
Governmental Activities				
Intangible Right-to-use Assets:				
Leased Equipment	\$ 197,279	\$ -	\$ -	\$ 197,279
Less Accumulated Amortization	<u>36,168</u>	<u>39,456</u>	<u>-</u>	<u>75,624</u>
Net Intangible Right-to-use Assets	<u>\$ 161,111</u>	<u>\$ (39,456)</u>	<u>\$ -</u>	<u>\$ 121,655</u>

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

Instruction	\$ 688,964
Instructional Student Support	55,599
Administration and Financial Support Services	41,398
Operation and Maintenance of Plant Services	45,994
Student Activities	<u>48,727</u>

Total Depreciation Expense \$ 880,682

Business-Type Activities - Food Service \$ 8,450

Governmental Activities

Intangible Right-to-use Assets:

Instruction	<u>\$ 39,456</u>
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Riverview School District
Notes to Financial Statements
June 30, 2022

Note 6 - Interfund Balances/Transfers

At June 30, 2022, 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, 2022, interfund transfers consisted of \$1,400,000 from the general fund to the capital projects fund to support capital improvements.

Note 7 - Long-Term Liabilities

Long-term liability for the year ended June 30, 2022 was as follows:

	Balance 07/01/21	Additions	Reductions	Balance 06/30/22	Due Within One Year
Governmental Activities					
Bonds Payable					
General Obligation Bonds	\$ 23,545,000	\$ -	\$ 880,000	\$ 22,665,000	\$ 915,000
Plus: Bond Premium	398,823	-	39,553	359,270	-
Less: Bond Discount	<u>(131,994)</u>	<u>-</u>	<u>(7,363)</u>	<u>(124,631)</u>	<u>-</u>
Total Bonds Payable	<u>23,811,829</u>	<u>-</u>	<u>912,190</u>	<u>22,899,639</u>	<u>915,000</u>
Notes Payable	80,000	-	20,000	60,000	20,000
Compensated Absences	<u>37,380</u>	<u>10,520</u>	<u>3,720</u>	<u>44,180</u>	<u>2,000</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 23,929,209</u>	<u>\$ 10,520</u>	<u>\$ 935,910</u>	<u>\$ 23,003,819</u>	<u>\$ 937,000</u>
Lease Liabilities	<u>\$ 162,737</u>	<u>\$ -</u>	<u>\$ 38,183</u>	<u>\$ 124,554</u>	<u>\$ 39,246</u>
Total Long-Term Obligations as Reported in the Statement of Net Position				<u>\$ 23,128,373</u>	<u>\$ 976,246</u>

Riverview School District
Notes to Financial Statements
June 30, 2022

General Obligation Bonds

Refunding Series of 2010B - \$1,235,000 - due serially each year through March 1, 2028, interest at 0.75% - 4.0%.	\$ 565,000
Refunding Series of 2018 - \$7,200,000 - due serially each year through March 1, 2038, interest at 2.5% - 3.5%.	7,185,000
2020 General Obligation Bonds in the amount of \$7,215,000; due serially through August 15, 2043; interest rate 1.0% to 2.5%	7,210,000
2020A General Obligation Bonds in the amount of \$6,430,000; due serially through August 15, 2026; interest rate 2.0% to 4.0%	4,620,000
2020B General Obligation Bonds in the amount of \$3,125,000; due serially through August 15, 2031; interest rate 1.0% to 2.0%	3,085,000
	\$ 22,665,000

General Obligation Note

Note payable - \$100,000 due monthly through June 2025, interest at 0.00%.	\$ 60,000
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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, 2022, are as follows:

Year Ended June 30,	General Obligation Bonds		General Obligation Notes		Totals
	Principal	Interest	Principal	Interest	
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	1,000,000	514,713	-	-	1,514,713
2028-2032	4,445,000	2,265,444	-	-	6,710,444
2033-2037	5,280,000	1,621,700	-	-	6,901,700
2038-2042	6,235,000	653,275	-	-	6,888,275
2043-2044	1,865,000	36,188	-	-	1,901,188
	\$ 22,665,000	\$ 7,428,508	\$ 60,000	\$ -	\$ 30,153,508

**Riverview School District
Notes to Financial Statements
June 30, 2022**

Note 8 – Lease Liabilities

On August 1, 2020, the School District entered into an agreement to lease copiers. The term of the lease is for five years requiring monthly payments of \$3,515. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at present value of the future minimum lease payments as of the date of its inception. For purposes of discounting future payments, the School District determined an interest rate of 2.9% to be an appropriate discount rate.

As of June 30, 2022, the value of the lease liability recorded for the above lease was \$124,554. As a result, the School District has recorded an Intangible Right-to-Use asset with a net book value of \$121,655 as of June 30, 2022. Future minimum lease payments under this lease are as follows:

Year Ended June 30,	Lease Payable		Totals
	Principal	Interest	
2023	\$ 39,246	\$ 2,933	\$ 42,179
2024	40,339	1,840	42,179
2025	41,462	717	42,179
2026	3,507	8	3,515
	\$ 124,554	\$ 5,498	\$ 130,052

Note 9 – Termination Payments

The early retirement incentive program is offered to Act 93 administrators on an individual basis at the Board of Education’s discretion. Scheduled payments to retired administrators in excess of one year are accrued at a discount rate of 3.0%. There was no discounted present value of Act 93 early retirement incentive payments at June 30, 2022.

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 10 - Public School Employees’ Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees’ Retirement System (PSERS) and additions to/deductions from PSERS’ 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

B. General Information about the Pension Plan

1. Plan Description

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

2. Benefits Provided

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

For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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.

**Riverview School District
Notes to Financial Statements
June 30, 2022**

3. Contributions

Member Contributions

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%/6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	7.50%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2022 was 34.14% 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 \$3,509,414 for the year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability of \$27,590,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. 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, 2022, the School District's proportion was 0.0672%, which was an increase of 0.0016% from its proportion measured as of June 30, 2021.

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For the year ended June 30, 2022, the School District recognized pension expense of \$1,644,116. At June 30, 2022, 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	\$ 20,000	\$ 362,000
Net difference between projected and actual investment earnings	-	4,392,000
Changes in assumptions	1,338,000	-
Changes in proportions	1,593,000	1,576,000
Difference between employer contributions and proportionate share of total contributions	-	15,865
Contributions subsequent to the measurement date	<u>3,509,414</u>	<u>-</u>
	<u>\$ 6,460,414</u>	<u>\$ 6,345,865</u>

\$3,509,414 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, 2023. 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,	
2023	\$ (472,905)
2024	(1,171,293)
2025	(335,677)
2026	<u>(1,414,990)</u>
	<u>\$ (3,394,865)</u>

1. Changes in Actuarial Assumptions

The total pension liability as of June 30, 2021 was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2020
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Riverview School District
Notes to Financial Statements
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- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability decreased from 7.25% as of June 2020 to 7.00% as of June 30, 2021.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00 % to 4.50%
 - Real wage growth and merit or seniority increases (components for salary growth) decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates – Previously 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. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

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	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed Income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	<u>-13.0%</u>	0.1%
	<u>100%</u>	

**Riverview School District
Notes to Financial Statements
June 30, 2022**

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, 2021.

2. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	(In Thousands)		
	1.00% Decrease 6.00%	Current Discount Rate 7.00%	1.00% Increase 8.00%
School District's proportionate share of the net pension liability	\$ 36,213	\$ 27,590	\$ 20,316

4. Pension Plan Fiduciary Net Position

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

Note 11 - Other Post-Employment Benefit Plan

A. Plan Description

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

**Riverview School District
Notes to Financial Statements
June 30, 2022**

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

1) Teachers

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

Persons Covered - Employee and Spouse

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

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

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>104</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 \$3,277,313 was measured as of July 1, 2021 using standard roll forward techniques from an actuarial valuation as of July 1, 2020.

Riverview School District
Notes to Financial Statements
June 30, 2022

C. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation roll forward 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.

The actuarial assumptions used in the July 1, 2020 valuation roll forward 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, 2021	\$ 3,167,152
Changes for the year:	
Service Cost	128,182
Interest	74,732
Benefit Payments	<u>(92,753)</u>
Net Changes	<u>110,161</u>
Balance at June 30, 2022	<u><u>\$ 3,277,313</u></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	Current Discount Rate	1.00% Increase
	1.30%	2.30%	3.30%
Total OPEB Liability	\$ 3,547,512	\$ 3,277,313	\$ 3,027,215

Riverview School District
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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	\$ 3,060,797	\$ 3,277,313	\$ 3,528,105

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$107,518. At June 30, 2022, 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	\$ 223,767	\$ 124,882
Differences between expected and actual experience	38,526	69,821
	\$ 262,293	\$ 194,703

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,	
2023	\$ (2,643)
2024	(2,643)
2025	(2,643)
2026	(2,643)
2027	34,444
Thereafter	43,718
	\$ 67,590

Riverview School District
Notes to Financial Statements
June 30, 2022

Note 12 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

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, 2021, 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

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, 2021, 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, 2022 was 0.80% 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 \$82,599 for the year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability of \$1,589,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. 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, 2022, the School District's proportion was 0.0670%, which was an increase of 0.0015% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$92,740. At June 30, 2022, 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	\$ 15,000	\$ -
Changes in assumptions	169,000	21,000
Net difference between projected and actual investment earnings	3,000	-
Changes in proportions	159,000	181,000
Difference between employer contributions and proportionate share of total contributions	-	596
Contributions subsequent to the measurement date	<u>82,599</u>	<u>-</u>
	<u>\$ 428,599</u>	<u>\$ 202,596</u>

Riverview School District
Notes to Financial Statements
June 30, 2022

\$82,599 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 OPEB liability in the year ended June 30, 2023. 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,	
2023	\$ 24,213
2024	21,874
2025	20,199
2026	41,118
2027	10,000
Thereafter	<u>26,000</u>
	<u>\$ 143,404</u>

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% 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 a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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, 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 following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- 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.

Riverview School District
Notes to Financial Statements
June 30, 2022

- Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	79.8%	0.10%
US Core Fixed Income	17.5%	0.70%
Non-US Developed Fixed	<u>2.7%</u>	-0.30%
	<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, 2021.

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. 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 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, 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, 2021, 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, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 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.

Riverview School District
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June 30, 2022

The following presents the System net OPEB liability for June 30, 2021 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 Trend Rate	1.00% Increase
System net OPEB Liability	\$ 1,588	\$ 1,589	\$ 1,589

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 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.18%) or 1 percentage point higher (3.18%) than the current rate:

	(In Thousands)		
	1.00% Decrease 1.18%	Current Discount Rate 2.18%	1.00% Increase 3.18%
School District's proportionate share of the net OPEB liability	\$ 1,823	\$ 1,589	\$ 1,395

5. OPEB Plan Fiduciary Net Position

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

Note 13 - Risk Management

The School District is one of forty-six members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$2,414,398 and \$2,327,144 for the years ended June 30, 2022 and 2021, 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, 2022, the net position of the Consortium was \$51,449,149 of which \$389,554 is attributable to the School District.

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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 14 – On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2022, was \$2,102,151.

This includes \$1,735,165 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 \$366,986 to the federal government for social security and Medicare taxes for the year ended June 30, 2022. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 15 – Prior Period Restatement

As a result of the implementation of GASB Statement No. 87 "Leases", the School District made a prior period adjustment to record the value of the right to use asset net of accumulated amortization \$161,111 and the associated lease liability (\$162,737) as of July 1, 2021. This prior period adjustment and its effect on Net Position at July 1, 2021 was a decrease in Governmental Activities net position of \$1,626 restating the net position reported in the prior period financial statements of (\$18,804,662) to (\$18,806,288).

Note 16 – Construction Commitment

As of June 30, 2022, the School District had construction commitments of approximately \$100,000 for capital improvements. It is anticipated these projects will be completed in the 2022/2023 school year.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local Sources				
Taxes				
Current Real Estate Taxes	\$ 14,607,423	\$ 14,607,423	\$ 15,000,646	\$ 393,223
Public Utility Realty Taxes	15,500	15,500	17,196	1,696
Local Services Taxes	21,000	21,000	20,680	(320)
Earned Income Taxes	1,141,000	1,141,000	1,287,632	146,632
Real Estate Transfer Taxes	230,000	230,000	374,647	144,647
Delinquencies on Taxes	1,100,000	1,100,000	1,286,834	186,834
Earnings on Investments	100,000	100,000	12,643	(87,357)
Other Local Revenues				
Revenue from Student Activities	16,000	16,000	15,112	(888)
Federal Revenues from IU	188,000	188,000	227,989	39,989
Contributions & Donations from Private Sources	-	-	2,456	2,456
Rentals	10,000	10,000	7,260	(2,740)
Miscellaneous Revenue	78,700	78,700	17,263	(61,437)
Total Revenues from Local Sources	<u>17,507,623</u>	<u>17,507,623</u>	<u>18,270,358</u>	<u>762,735</u>
State Sources				
Basic Instructional & Oper. Subsidies				
Basic Instructional Subsidy	2,652,074	2,652,074	3,226,249	574,175
Tuition	-	-	13,946	13,946
Subsidies for Spec. Educ. Programs				
Special Education of Excep. Pupils	702,925	702,925	721,532	18,607
Subsidies for Noneduc. Programs				
Transportation (Regular & Additional)	212,000	212,000	225,057	13,057
Rentals & Sinking Fund Payments	200,457	200,457	200,156	(301)
Ready to Learn Block Grant	126,151	126,151	126,151	-
Health Services	22,000	22,000	16,462	(5,538)
State Property Tax Reduction	357,272	357,272	357,262	(10)
Social Security Payments	443,474	443,474	366,986	(76,488)
State Retirement Revenue	1,700,000	1,700,000	1,735,165	35,165
Total Revenues from State Sources	<u>6,416,353</u>	<u>6,416,353</u>	<u>6,988,966</u>	<u>572,613</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	Budgeted Amounts		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	186,065	186,065	186,061	(4)
Title II	29,416	29,416	29,882	466
Title IV	14,131	14,131	14,139	8
Elementary and Secondary Emergency Relief Fund (ESSER II)	-	-	678,838	678,838
Elementary and Secondary Emergency Relief Fund (ARP ESSER)	-	-	216,298	216,298
Elementary and Secondary Emergency Relief Fund (ARP ESSER 7%)	-	-	7,797	7,797
Other Restricted Federal Grants-In-Aid IDEA, Part B	-	-	35,780	35,780
Medical Assistance - Access	75,000	75,000	75,587	587
Medical Assistance - Admin.	5,000	5,000	1,626	(3,374)
Total Revenues from Federal Sources	309,612	309,612	1,248,584	938,972
Total Revenues	24,233,588	24,233,588	26,507,908	2,274,320
Expenditures				
Instruction				
Regular Programs				
Personal Services				
Salaries	5,768,999	5,768,999	5,992,839	(223,840)
Employee Benefits	3,775,842	3,775,842	3,919,697	(143,855)
Purchased Prof. and Tech. Services	151,850	151,850	197,858	(46,008)
Purchased Property Services	4,250	4,946	1,999	2,947
Other Purchased Services	700,750	700,750	606,836	93,914
Supplies	167,150	164,120	109,397	54,723
Property	9,200	9,899	17,482	(7,583)
Other Objects	35,800	35,800	21,789	14,011
Total Regular Programs	10,613,841	10,612,206	10,867,897	(255,691)

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Programs				
Personal Services				
Salaries	986,020	986,020	1,031,174	(45,154)
Employee Benefits	643,846	643,846	630,633	13,213
Purchased Prof. and Tech. Services	127,000	127,000	308,419	(181,419)
Other Purchased Services	884,579	884,579	773,541	111,038
Supplies	9,000	9,400	5,971	3,429
Property	2,500	2,500	3,779	(1,279)
Other Objects	200	200	-	200
	<u>2,653,145</u>	<u>2,653,545</u>	<u>2,753,517</u>	<u>(99,972)</u>
Vocational Education Programs				
Personal Services				
Salaries	196,522	196,522	197,546	(1,024)
Employee Benefits	136,691	136,691	129,200	7,491
Other Purchased Services	206,000	206,000	144,440	61,560
Supplies	16,100	16,772	14,132	2,640
Property	2,300	2,129	4,060	(1,931)
	<u>557,613</u>	<u>558,114</u>	<u>489,378</u>	<u>68,736</u>
Other Instructional Programs				
Personal Services				
Salaries	12,500	12,500	16,370	(3,870)
Employee Benefits	14,172	14,172	36,944	(22,772)
Other Purchased Services	46,000	46,000	56,374	(10,374)
Supplies	-	-	17,951	(17,951)
	<u>72,672</u>	<u>72,672</u>	<u>127,639</u>	<u>(54,967)</u>
Total Instruction	<u>13,897,271</u>	<u>13,896,537</u>	<u>14,238,431</u>	<u>(341,894)</u>

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services				
Pupil Personnel				
Personal Services				
Salaries	326,168	326,168	315,035	11,133
Employee Benefits	223,463	223,463	210,177	13,286
Purchased Prof. and Tech. Services	9,000	9,000	19,066	(10,066)
Other Purchased Services	3,800	3,800	-	3,800
Supplies	6,650	6,650	4,171	2,479
Other Objects	2,000	2,000	11	1,989
Total Pupil Personnel	<u>571,081</u>	<u>571,081</u>	<u>548,460</u>	<u>22,621</u>
Instructional Staff				
Personal Services				
Salaries	924,831	924,831	718,136	206,695
Employee Benefits	573,907	573,907	530,565	43,342
Purchased Prof. and Tech. Services	12,000	12,000	20,018	(8,018)
Other Purchased Services	3,000	3,000	70	2,930
Supplies	316,840	317,574	547,971	(230,397)
Property	93,500	93,500	427,752	(334,252)
Other Objects	-	-	1,600	(1,600)
Total Instructional Staff	<u>1,924,078</u>	<u>1,924,812</u>	<u>2,246,112</u>	<u>(321,300)</u>
Administration				
Personal Services				
Salaries	817,483	817,483	863,922	(46,439)
Employee Benefits	561,625	561,625	576,965	(15,340)
Purchased Prof. and Tech. Services	275,100	275,100	310,407	(35,307)
Other Purchased Services	63,950	63,950	42,845	21,105
Supplies	26,854	26,154	16,007	10,147
Property	1,500	1,500	-	1,500
Other Objects	30,850	31,550	26,368	5,182
Total Administration	<u>1,777,362</u>	<u>1,777,362</u>	<u>1,836,514</u>	<u>(59,152)</u>

Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Health				
Personal Services				
Salaries	79,949	79,949	77,394	2,555
Employee Benefits	53,941	53,941	54,747	(806)
Purchased Prof. and Tech. Services	18,100	18,100	18,817	(717)
Other Purchased Services	500	500	59	441
Supplies	4,600	4,600	4,483	117
Property	1,200	1,200	-	1,200
Other Objects	250	250	245	5
Total Pupil Health	158,540	158,540	155,745	2,795
Business				
Personal Services				
Salaries	261,532	261,532	223,558	37,974
Employee Benefits	168,224	168,224	151,841	16,383
Purchased Prof. and Tech. Services	-	-	42,660	(42,660)
Other Purchased Services	5,100	5,100	5,158	(58)
Supplies	9,000	9,000	10,352	(1,352)
Other Objects	8,000	8,000	23,669	(15,669)
Total Business	451,856	451,856	457,238	(5,382)
Oper. and Maint. of Plant Svcs.				
Personal Services				
Salaries	635,331	635,331	609,799	25,532
Employee Benefits	390,263	390,263	418,880	(28,617)
Purchased Prof. and Tech. Services	56,000	56,000	56,664	(664)
Purchased Property Services	178,102	178,102	223,457	(45,355)
Other Purchased Services	119,700	119,700	103,057	16,643
Supplies	339,500	339,500	432,660	(93,160)
Property	9,500	9,500	5,455	4,045
Other Objects	-	-	436	(436)
Total Oper. and Maint. of Plant Svcs.	1,728,396	1,728,396	1,850,408	(122,012)

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Student Transportation Services				
Other Purchased Services	1,104,011	1,104,011	863,183	240,828
Other				
Other Purchased Services	20,000	20,000	19,061	939
Total Support Services	<u>7,735,324</u>	<u>7,736,058</u>	<u>7,976,721</u>	<u>(240,663)</u>
Noninstructional Services				
Student Activities				
Personal Services				
Salaries	314,498	314,498	305,344	9,154
Employee Benefits	89,694	89,694	68,659	21,035
Purchased Prof. and Tech. Services	43,000	43,000	28,476	14,524
Purchased Property Services	89,100	89,100	72,979	16,121
Other Purchased Services	92,600	92,600	90,256	2,344
Supplies	21,645	21,645	26,779	(5,134)
Property	58,900	58,900	44,787	14,113
Other Objects	36,250	36,250	32,413	3,837
Total Student Activities	<u>745,687</u>	<u>745,687</u>	<u>669,693</u>	<u>75,994</u>
Community Services				
Personal Services				
Salaries	5,633	5,633	6,468	(835)
Employee Benefits	467	467	2,792	(2,325)
Purchased Prof. and Tech. Services	45,526	45,526	46,903	(1,377)
Other Objects	-	-	2,500	(2,500)
Total Community Services	<u>51,626</u>	<u>51,626</u>	<u>58,663</u>	<u>(7,037)</u>
Total Noninstructional Services	<u>797,313</u>	<u>797,313</u>	<u>728,356</u>	<u>68,957</u>
Facilities Acquisition, Construction and Improvement Services				
Purchased Prof. and Tech. Services	10,000	10,000	10,000	-

**Riverview School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund – Budget and Actual
Year Ended June 30, 2022**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt Service				
Interest	661,367	661,367	665,362	(3,995)
Refunds of Prior Year's Receipts	75,000	75,000	128,980	(53,980)
Redemption of Principal	905,000	905,000	938,183	(33,183)
Fiscal Agent Fees	3,000	3,000	3,750	(750)
Total Debt Service	<u>1,644,367</u>	<u>1,644,367</u>	<u>1,736,275</u>	<u>(91,908)</u>
Total Expenditures	<u>24,084,275</u>	<u>24,084,275</u>	<u>24,689,783</u>	<u>(605,508)</u>
Other Financing Uses				
Fund Transfers				
Capital Projects Fund	55,700	55,700	1,400,000	(1,344,300)
Budgetary Reserve	93,613	93,613	-	93,613
Total Other Financing Uses	<u>149,313</u>	<u>149,313</u>	<u>1,400,000</u>	<u>(1,250,687)</u>
Total Expenditures and Other Financing Uses	<u>24,233,588</u>	<u>24,233,588</u>	<u>26,089,783</u>	<u>(1,856,195)</u>
Net Change in Fund Balance	-	-	418,125	418,125
Fund Balance - July 1, 2021	<u>5,243,172</u>	<u>5,243,172</u>	<u>7,725,666</u>	<u>2,482,494</u>
Fund Balance - June 30, 2022	<u>\$ 5,243,172</u>	<u>\$ 5,243,172</u>	<u>\$ 8,143,791</u>	<u>\$ 2,900,619</u>

Riverview School District
Note to the Required Supplementary Information
Budget Comparison
June 30, 2022

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 Seven Years

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Total OPEB Liability							
Service Cost	\$ 128,182	\$ 124,751	\$ 105,627	\$ 102,800	\$ 126,685	\$ 123,294	\$ -
Interest	74,732	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>(92,753)</u>	<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	110,161	462,292	116,309	(289,476)	81,124	81,378	-
Total OPEB Liability - Beginning	<u>3,167,152</u>	<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>\$ 3,277,313</u>	<u>\$ 3,167,152</u>	<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>
Covered-Employee Payroll	\$ 9,528,978	\$ 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	34.39%	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.

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 Eight Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution	\$ 3,477,337	\$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>3,477,337</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 10,121,684	\$9,501,723	\$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	34.36%	33.46%	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.

The covered-payroll amount reported for June 30, 2021 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2022.

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

	June 30, 2021	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)	0.0672%	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)	\$ 27,590	\$ 32,301	\$ 33,777	\$ 30,531	\$ 35,757	\$ 33,649	\$ 28,978	\$ 25,807	\$ 27,223
School District's Covered Payroll	\$ 9,502	\$ 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	290.36%	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	63.67%	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 Five Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution	\$ 82,599	\$ 78,590	\$ 77,407	\$ 76,378	\$ 77,690
Contributions in Relation to the Contractually Required Contribution	<u>82,599</u>	<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>	<u>\$ -</u>
School District's Covered Payroll	\$ 10,121,684	\$ 9,501,723	\$ 9,188,241	\$ 9,961,273	\$ 9,360,230
Contributions as a Percentage of Covered Payroll	0.82%	0.83%	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.

The covered-payroll amount reported for June 30, 2021 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2022.

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
School District's Proportion of the Net OPEB Liability (Asset)	0.0670%	0.0655%	0.0722%	0.0636%	0.0724%
School District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,589	\$ 1,415	\$ 1,536	\$ 1,326	\$ 1,475
School District's Covered Payroll	\$ 9,502	\$ 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	16.72%	15.40%	15.42%	14.17%	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.30%	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, 2022 were prepared to fulfill the requirements of the Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports is 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
March 10, 2023

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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, 2022, 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 March 10, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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
March 10, 2023

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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

Opinion on Each Major Federal Program

We have audited Riverview School District's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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. 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Riverview School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Riverview School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Riverview School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Riverview School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Riverview School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Riverview School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Riverview School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Riverview School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, Muetzl & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
March 10, 2023

**Riverview School District
Schedule of Findings and Questioned Costs
June 30, 2022**

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
84.425	Education Stabilization 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, 2022**

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, 2022**

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 07/01/21	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/22
U.S. Department of Education Passed through the Pennsylvania Department of Education										
Title I Improving Basic Programs	I	84.010	013-220365	09/01/21-09/30/22	\$ 186,061	\$ 157,440	\$ -	\$ 186,061	\$ 186,061	\$ 28,621
Title I Improving Basic Programs	I	84.010	013-210365	08/19/20-09/30/21	188,020	66,715	66,715	-	-	-
Title I Improving Basic Programs	I	84.010	013-200365	07/12/19-09/30/20	185,237	37,044	37,044	-	-	-
						261,199	103,759	186,061	186,061	28,621
Title IIA Teachers in the Workplace	I	84.367	220-200365	11/20/19-09/30/21	25,000	950	950	-	-	-
Title II Improving Teacher Quality	I	84.367	020-210365	08/19/20-09/30/21	32,305	52	52	-	-	-
Title II Improving Teacher Quality	I	84.367	020-220365	09/01/21-09/30/22	29,882	29,416	-	29,882	29,882	466
						30,418	1,002	29,882	29,882	466
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-220365	09/01/21-09/30/22	14,139	4,348	-	14,139	14,139	9,791
Title IV Student Sup. and Acad. Enrichment	I	84.424	144-200365	07/12/19-09/30/20	14,105	3,761	3,761	-	-	-
						8,109	3,761	14,139	14,139	9,791
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)										
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425D	200-210365	03/13/20-09/30/23	694,299	645,753	(44,025)	678,838	678,838	(10,940)
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-210365	03/13/20-09/30/24	1,404,366	76,602	-	216,298	216,298	139,696
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER 7%)	I	84.425U	225-210365	03/13/20-09/30/24	109,150	13,892	-	7,797	7,797	(6,095)
						736,247	(44,025)	902,933	902,933	122,661
Passed through the Pennsylvania Commission on Crime and Delinquency COVID-19 School Health and Safety Grant										
	I	84.425D	2020-ES-01-35325	03/13/20-09/30/22	30,239	239	239	-	-	-
						736,486	(43,786)	902,933	902,933	122,661
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	7,498	4,922	2,576	2,576	-

**Riverview School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

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 07/01/21	Revenue Recognized	Expendi- tures	Accrued or (Deferred) Revenue 06/30/22
Passed through the Allegheny Intermediate Unit										
IDEA B	I	84.027	062-220003	07/01/21-09/30/22	227,455	227,455	-	227,455	227,455	-
IDEA B Section 619	I	84.173	131-210003	07/01/21-06/30/22	534	534	-	534	534	-
Subtotal Special Education Cluster						<u>235,487</u>	<u>4,922</u>	<u>230,565</u>	<u>230,565</u>	<u>-</u>
Subtotal U.S. Department of Education						<u>1,271,699</u>	<u>69,658</u>	<u>1,363,580</u>	<u>1,363,580</u>	<u>161,539</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	07/01/21-06/30/22	N/A	1,671	1,021	1,626	1,626	976
U.S. Department of Agriculture										
Farm to School Grant	D	10.575	N/A	07/15/20-06/30/22	100,000	35,780	-	35,780	35,780	-
Passed through the Pennsylvania										
Department of Education										
P-EBT Administrative Costs	I	10.649	N/A	07/01/21-06/30/22	N/A	614	-	614	614	-
National School Lunch Program	I	10.555	N/A	07/01/21-06/30/22	N/A	412,943	14,792	467,323	467,323	69,172
National School Breakfast Program	I	10.553	N/A	07/01/21-06/30/22	N/A	92,227	4,783	106,309	106,309	18,865
Passed through the Pennsylvania										
Department of Agriculture										
National School Lunch Program (Donated										
Commodities Non Cash Assistance)	I	10.555	N/A	07/01/21-06/30/22	N/A	50,799	(4,904)	52,981	52,981	(2,722)
Total Child Nutrition Cluster						<u>555,969</u>	<u>14,671</u>	<u>626,613</u>	<u>626,613</u>	<u>85,315</u>
Total U.S. Department of Agriculture						<u>592,363</u>	<u>14,671</u>	<u>663,007</u>	<u>663,007</u>	<u>85,315</u>
Total Federal Financial Assistance						<u>\$ 1,865,733</u>	<u>\$ 85,350</u>	<u>\$ 2,028,213</u>	<u>\$ 2,028,213</u>	<u>\$ 247,830</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, 2022

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, 2022. 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	\$ 1,865,733
Less: Commodities Received	(50,799)
Less: Passage Through AIU	(227,989)
Less: Farm to School Grant	(35,780)
Less: Title 19	(1,671)
Less: Passage Through PCCD	(239)
Add: State Funding on Confirmation	<u>14,771</u>
 Per Subsidy Confirmation	 <u><u>\$ 1,564,026</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, 2022**

EXHIBIT F

1 Copy – Bureau of Audits

1 Copy – Bureau of the Census