

**RIVERSIDE SCHOOL DISTRICT**

**FINANCIAL STATEMENTS  
AND  
SINGLE AUDIT REPORTS**

**JUNE 30, 2020**

**RIVERSIDE SCHOOL DISTRICT**

**TABLE OF CONTENTS**

**JUNE 30, 2020**

---

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	I - III
MANAGEMENT DISCUSSION AND ANALYSIS	IV - XI
FINANCIAL STATEMENTS:	
Statement of Net Position	1 - 3
Statement of Activities	4
Balance Sheet - Governmental Funds	5
Reconciliation of Fund Balance in the Balance Sheet - Governmental Funds with Net Position in the Statement of Net Position	6 - 7
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	8 - 9
Reconciliation of Change in Fund Balance - Governmental Funds with Change in Net Position	10 - 11
Statement of Net Position - Proprietary Funds	12
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	13
Statement of Cash Flows - Proprietary Funds	14
Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16
Notes to Financial Statements	17 - 46

**RIVERSIDE SCHOOL DISTRICT**

**TABLE OF CONTENTS (CONT'D)**

**JUNE 30, 2020**

---

**REQUIRED SUPPLEMENTARY INFORMATION:**

Schedule of the District's Proportionate Share of Net Pension Liability and Related Ratios - Public School Employees Retirement System Plan	47
Schedule of District Contributions - Public School Employees Retirement System Plan	48
Note to Required Supplementary Information - Pension Plan	49
Schedule of Changes in the District's OPEB Liability and Related Ratios	50
Note to Required Supplementary Information - OPEB Plan	51
Supplemental Schedule of Revenue and Expenditures - Budget and Actual - General Fund	52 - 59

**SUPPLEMENTARY INFORMATION:**

Schedule of Expenditures of Federal Awards	60
Notes to Schedule of Expenditures of Federal Awards	61

**SINGLE AUDIT REPORTS:**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62 - 63
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	64 - 66
Schedule of Findings and Questioned Costs	67 - 68
Summary Schedule of Prior Audit Findings	69



## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Riverside School District

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 Riverside School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

#### CERTIFIED PUBLIC ACCOUNTANTS

4 Meadow Ave, Ste C, Scranton, PA 18505 | 240 Schuyler Avenue, Kingston, PA 18704  
T: 570.941.2248 • F: 570.941.2236 | T: 570.288.7517 • F: 570.288.1699

kohanskico.com



Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Riverside School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages IV - XI, schedule of the District's proportionate share of net pension liability, schedule of District contributions, schedule of changes in the District's proportionate share of other post-employment benefit liability, related notes, and budgetary comparison information on pages 46 - 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The schedule of expenditures of Federal awards 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. Such 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 29, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

*Kohanski & Co., PC*

Scranton, PA  
March 29, 2021

**Riverside School District  
Management's Discussion and Analysis  
For the Year Ended December 31, 2020  
(UNAUDITED)**

The following discussion and analysis of Riverside School District's (the "District") financial statements provides an overview of the financial activities of the District for the fiscal year ended June 30, 2020. Please read it in conjunction with the financial statements and the accompanying notes to those statements following this section.

As a requirement of Governmental Accounting Standards Board Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB 34), the District will compare the financial information of the current year with the prior year, to further explain the District's financial position and results of operations.

**Financial Highlights for Fiscal Year 2020:**

- The net position (assets minus liabilities) of the District as of June 30, 2020 was (\$34,675,789) compared to net position of the District as of June 30, 2019 of (\$36,250,690). The increase of \$1,574,901 includes net increases in capital assets, cash and decreases current liabilities.
- The governmental funds reported an ending governmental fund balance of \$1,836,860 compared to an ending governmental fund balance in fiscal-year 2019 of \$980,815 which represents an increase of \$856,045. This increase is due primarily due to decreases in expenses in building operations and district transportation as a result of state mandated District closures.
- The School District buildings were physically closed to students due to a state mandated closure in response to the COVID-19 pandemic. The pandemic resulted in a great number of uncertainties concerning future Tax Revenue and added costs for future student enrichment services. While, the School District was able to realize some initial savings due to the closures, the overall expectation is that added costs and decreased revenues are to follow.

## **USING THIS GENERAL ACCEPTED ACCOUNTING PRINCIPALS REPORT (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Riverside School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Riverside School District, the General Fund is by far the most significant fund.

### **REPORTING THE SCHOOL DISTRICT AS A WHOLE** **STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those positions. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District operates the food service fund as a business type activity.

## **REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

### **FUND FINANCIAL STATEMENTS**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Capital Projects and Debt Service Fund.

### **GOVERNMENTAL FUNDS**

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds 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 general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes can be found following the fund financial statements.

### **Other Information**

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the non-major funds, schedules of budget to actual comparisons, the other post-employment benefit schedules, and the pension trust fund schedules.

## Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position: Recall that the Statement of Net Position provides a summary of the School District's net position for 2020 compared to 2019.

	<b><u>TABLE 1</u></b>	
	<b><u>NET POSTION</u></b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
<b><u>ASSETS:</u></b>		
CURRENT AND OTHER ASSETS	8,137,328	6,006,188
BOND DISCOUNT, NET	39,641	43,716
CAPITAL ASSETS, NET	21,828,709	22,483,558
TOTAL ASSETS	30,005,678	28,533,462
DEFERRED OUTFLOW OF RESOURCES	5,375,001	6,002,403
<b><u>LIABILITIES:</u></b>		
CURRENT LIABILITIES	6,291,716	7,456,805
OTHER LIABILITIES	61,880,705	61,824,911
TOTAL LIABILITIES	68,172,421	69,281,716
DEFERRED INFLOW OF RESOURCES	1,884,047	1,348,541
<b><u>NET POSITION:</u></b>		
INVESTED IN CAPITAL ASSETS, NET OF DEBT	4,397,955	2,963,468
RESTRICTED	0	674,387
UNRESTRICTED	(39,073,744)	(39,888,545)
TOTAL NET POSTION	(34,675,789)	(36,250,690)

Total assets and deferred outflows of resources increased by \$848,889, receivables increased \$1,515,810 and capital assets decreased by \$654,849. Total liabilities and deferred inflows of resources decreased by \$1,109,295. Unrestricted net position, the part of the net position that can be used to, finance day to day activities without constraints established by grants or legal requirements of the School District increased by \$814,801.

### Changes in Net Position

Table II below shows the change in net position for fiscal years 2020 and 2019.

	Table II Governmental Activities		
	<u>2020</u>	<u>2019</u>	<u>Net Change</u>
<b>REVENUES</b>			
Charges for Services	\$89,306	\$239,912	(\$150,606)
Operating Grants and Contributions	959,871	5,008,393	(4,048,522)
Capital Grants and Contributions	0	0	0
<b>TOTAL PROGRAM REVENUE</b>	<b>1,049,177</b>	<b>5,248,305</b>	<b>(\$4,199,128)</b>
<b>GENERAL REVENUES</b>			
Property Taxes	14,282,832	13,889,402	393,430
Grants and Entitlements	10,046,450	5,555,503	4,490,917
Other	2,475,083	1,704,461	770,662
<b>TOTAL GENERAL REVENUES</b>	<b>26,804,365</b>	<b>21,149,366</b>	<b>5,654,999</b>
<b>TOTAL REVENUE</b>	<b><u>\$27,853,542</u></b>	<b><u>\$26,397,671</u></b>	<b><u>\$1,455,871</u></b>

EXPENSES	2020	2019	Difference
Instruction	14,694,048	16,523,072	(1,829,024)
Pupils and instructional Staff	1,105,196	1,871,238	(766,042)
Board of Education, Administration, Fiscal and Business	3,601,629	2,089,794	1,511,835
Operation and Maintenance of Plant	1,935,615	2,429,604	(493,989)
Pupil Transportation	922,748	1,303,898	(381,150)
Other Support Services and Central	326,456	356,507	(30,051)
Operation of Non-Instructional Services	1,046,884	1,168,037	(121,153)
Unallocated Depreciation	1,110,751	1,046,936	63,815
Interest and Fiscal Charges	1,134,862	538,339	596,523
<b>TOTAL EXPENSES</b>	<b><u>25,878,189</u></b>	<b><u>27,327,425</u></b>	<b><u>(1,449,236)</u></b>
<b>INCREASE (Decrease) IN NET POSITION</b>	<b><u>1,574,901</u></b>	<b><u>(929,754)</u></b>	<b><u>2,504,655</u></b>

### **GOVERNMENTAL ACTIVITIES**

Property taxes make up 52.03 percent of revenues for governmental activities for the Riverside School District for fiscal year 2020.

Instruction comprises 56.70 percent of District expenses. Support services expenses make up 43.30 percent.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Operation and maintenance of plant activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Operation of non-instructional services includes the preparation, delivery, and servicing of lunches, snacks and other incidental meals to students and school staffing connection with school activities, and extracurricular activities which includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purpose of motivation, enjoyment and skill improvement.



Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

### **GENERAL FUND BUDGETING HIGHLIGHTS**

The School District's budget is prepared according to Pennsylvania Law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The School District adopted the budget for the fiscal year June 30, 2020 at its June 2019 meeting. The School District's budgetary process flows through the business office after appraisals have been made by authorized supervisory officials. This system is designed to tightly control the budget at the business manager level.

During the fiscal year the District had budgeted to receive \$26,749,803 in revenue but actually received \$26,875,599 or a surplus of \$125,796. On the expenditure side, total expenditures were \$589,089 under budget, the District had an excess of revenue over expenditures of \$714,885 and the total of all financing sources of \$327,929 for a favorable change in fund balance of \$1,042,814.

### **CAPITAL ASSETS**

At the end of fiscal year 2020, the School District had \$ 21,796,238 invested in land, furniture, equipment and vehicles. Table III shows the fiscal 2020 balance compared to 2019.

	<u>TABLE III</u> <u>Governmental Activities</u>		
	<u>2020</u>	<u>2019</u>	<u>Net Change</u>
Land	\$302,489	\$321,200	(\$18,711)
Buildings and Improvements	20,959,024	21,975,430	(1,016,406)
Furniture and Equipment	115,177	117,547	(2,370)
Site Improvements	359,420	52,366	307,054
Construction in Progress	60,128	0	60,128
TOTAL	<u>\$21,796,238</u>	<u>\$22,466,543</u>	<u>(\$670,305)</u>

Total accumulated Depreciation amounted to \$1,110,750 with the majority of the assets being purchased through the capital projects fund.

## **DEBT ADMINISTRATION**

At June 30, 2020 the District had \$17,241,289 of total Long-Term Debt Obligations. Below is the complete listing of what makes up this total.

GENERAL OBLIGATION BONDS PAYABLE	(16,835,000.00)
GENERAL OBLIGATION NOTES PAYABLE	(280,000.00)
LEASE OBLIGATIONS PAYABLE	(126,289.00)
	(17,241,289)

Of the District's Long Term Debt, \$351,704 is payable within one year.

## **CURRENT FINANCIAL ISSUES AND CONCERNS**

The Riverside School District is financially stable. The District does not have a large industrial base and property taxes are generated by residential properties.

Finances of the District depend primarily upon state revenues and local property taxes. Should the Commonwealth of Pennsylvania not increase the subsidy payments sufficiently, then local property taxes would need to be raised to meet any budget shortfall.

In conclusion, the Riverside School District has committed itself to financial excellence for many years. In addition, the School District system of financial planning, budgeting and internal controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

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

This financial report is designed to provide our citizens, taxpayers, inventory and regulatory agencies and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Mr. Bill Drazdowski, Business Administrator of the Riverside School District, Taylor, Pennsylvania.

**RIVERSIDE SCHOOL DISTRICT****STATEMENT OF NET POSITION  
JUNE 30, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,166,405	\$ 188,066	\$ 2,354,471
Accounts receivable, net	3,316,830	35,901	3,352,731
Taxes receivable, net	870,809	-	870,809
Other receivables, net	794,733	-	794,733
Inventory	-	18,657	18,657
Restricted cash and cash equivalents	467,505	-	467,505
Prepaid expenses	57,955	-	57,955
Due from other funds	<u>220,467</u>	<u>-</u>	<u>220,467</u>
Total Current Assets	7,894,704	242,624	8,137,328
CAPITAL ASSETS, net	21,796,238	32,471	21,828,709
BOND DISCOUNT, net of amortization	<u>39,641</u>	<u>-</u>	<u>39,641</u>
Total Assets	29,730,583	275,095	30,005,678
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	4,450,890	-	4,450,890
Deferred outflows related to OPEB	<u>924,111</u>	<u>-</u>	<u>924,111</u>
	<u>\$ 35,105,584</u>	<u>\$ 275,095</u>	<u>\$ 35,380,679</u>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT****STATEMENT OF NET POSITION (CONT'D)  
JUNE 30, 2020**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT LIABILITIES:</b>			
Current portion of long-term obligation:			
General obligation bonds	\$ 10,000	\$ -	\$ 10,000
General obligation note	280,000	-	280,000
Lease obligations payable	61,704	-	61,704
Special termination benefits	82,219	-	82,219
Accounts payable	1,738,548	80,932	1,819,480
Health insurance claims payable	107,048	-	107,048
Deferred revenue	-	13,858	13,858
Accrued salaries and benefits	3,451,739	-	3,451,739
Payroll deductions and withholdings	129,285	-	129,285
Accrued interest	115,916	-	115,916
Due to general fund	-	220,467	220,467
<b>Total Current Liabilities</b>	<b>5,976,459</b>	<b>315,257</b>	<b>6,291,716</b>
<b>LONG-TERM OBLIGATIONS, net of current portion:</b>			
General obligation bonds	16,825,000	-	16,825,000
Lease obligations payable	64,585	-	64,585
Special termination benefits	160,308	-	160,308
Bond premium, net of amortization	229,106	-	229,106
Compensated absences	781,610	-	781,610
Net other post-employment benefit obligations	9,903,096	-	9,903,096
Net pension liability	33,917,000	-	33,917,000
<b>Total Long-term Obligations, net of current portion</b>	<b>61,880,705</b>	<b>-</b>	<b>61,880,705</b>
<b>Total Liabilities</b>	<b>67,857,164</b>	<b>315,257</b>	<b>68,172,421</b>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT****STATEMENT OF NET POSITION (CONT'D)  
JUNE 30, 2020**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	1,510,000	-	1,510,000
Deferred inflows related to OPEB	<u>374,047</u>	<u>-</u>	<u>374,047</u>
Total Deferred Inflows of Resources	<u>1,884,047</u>	<u>-</u>	<u>1,884,047</u>
NET POSITION:			
Net investment in capital assets	4,365,484	32,471	4,397,955
Unrestricted	<u>(39,001,111)</u>	<u>(72,633)</u>	<u>(39,073,744)</u>
Total Net Position	<u>(34,635,627)</u>	<u>(40,162)</u>	<u>(34,675,789)</u>
	<u>\$ 35,105,584</u>	<u>\$ 275,095</u>	<u>\$ 35,380,679</u>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

			Net (Expense) Revenue and Change in Net Position			
			Primary Government			
	Program Revenues					
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS:						
Governmental Activities:						
Instructional Services:						
Regular	\$ 11,658,004	\$ -	\$ 736,894	\$ (10,921,110)	\$ -	\$ (10,921,110)
Special	3,613,856	-	222,977	(3,390,879)	-	(3,390,879)
Vocational	289,052	-	-	(289,052)	-	(289,052)
Other insructional programs	93,007	-	-	(93,007)	-	(93,007)
Total Insructional Services	15,653,919	-	959,871	(14,694,048)	-	(14,694,048)
Support Services:						
Pupil personnel	663,381	-	-	(663,381)	-	(663,381)
Instructional staff	441,815	-	-	(441,815)	-	(441,815)
Administration	3,601,629	-	-	(3,601,629)	-	(3,601,629)
Pupil health	330,542	-	-	(330,542)	-	(330,542)
Business	278,537	-	-	(278,537)	-	(278,537)
Operation of maintenance and plant services	1,790,935	-	-	(1,790,935)	-	(1,790,935)
Student transportation services	922,748	-	-	(922,748)	-	(922,748)
Central	302,899	-	-	(302,899)	-	(302,899)
Other support services	23,557	-	-	(23,557)	-	(23,557)
Total Support Services	8,356,043	-	-	(8,356,043)	-	(8,356,043)
Other:						
Operation of non-instructional services	437,805	-	-	(437,805)	-	(437,805)
Facilities acquisition, construction, and improvements	144,680	-	-	(144,680)	-	(144,680)
Other expenditures and financing uses	96,234	-	-	(96,234)	-	(96,234)
Unallocated Depreciation	1,110,751	-	-	(1,110,751)	-	(1,110,751)
Interest and fees on long-term debt	492,786	-	-	(492,786)	-	(492,786)
Total Operation of Non-Instructional Services	2,282,256	-	-	(2,282,256)	-	(2,282,256)
Total Governmental Activities	26,292,218	-	959,871	(25,332,347)	-	(25,332,347)
Business-type Activity	635,148	89,306	-	-	(545,842)	(545,842)
	\$ 26,927,366	\$ 89,306	\$ 959,871	(25,332,347)	(545,842)	(25,878,189)
General Revenues:						
Taxes:						
Property taxes				14,282,832	-	14,282,832
Other taxes				2,118,111	-	2,118,111
Subsidies and contributions				10,046,450	648,542	10,694,992
Sale of Assets				156,289	-	156,289
Investments earnings				28,599	183	28,782
Miscellaneous				172,084	-	172,084
Total General Revenues				26,804,365	648,725	27,453,090
CHANGE IN NET POSITION				1,472,018	102,883	1,574,901
NET POSITION - BEGINNING, As Restated				(36,107,645)	(143,045)	(36,250,690)
NET POSITION - ENDING				\$ (34,635,627)	\$ (40,162)	\$ (34,675,789)

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT****BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Capital Reserves</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 2,110,774	\$ -	\$ 20,113	\$ -	\$ 2,130,887
Accounts receivable	3,316,830	-	-	-	3,316,830
Taxes receivable	870,809	-	-	-	870,809
Other receivables	794,733	-	-	-	794,733
Restricted cash and cash equivalents	-	466,506	-	999	467,505
Prepaid expenses	57,955	-	-	12,666	70,621
Due from other funds	220,467	-	-	-	220,467
<b>Total Assets</b>	<b>\$ 7,371,568</b>	<b>\$ 466,506</b>	<b>\$ 20,113</b>	<b>\$ 13,665</b>	<b>\$ 7,871,852</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 1,738,548	\$ -	\$ -	\$ -	\$ 1,738,548
Accrued salaries and benefits	3,451,739	-	-	-	3,451,739
Payroll deductions and withholdings	129,285	-	-	-	129,285
<b>Total Liabilities</b>	<b>5,319,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,319,572</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	715,420	-	-	-	715,420
<b>FUND BALANCES:</b>					
Nonspendable	57,955	-	-	-	57,955
Restricted for debt service	-	-	-	13,665	13,665
Restricted for capital projects	-	466,506	-	-	466,506
Assigned	-	-	20,113	-	20,113
Unassigned	1,278,621	-	-	-	1,278,621
<b>Total Fund Balances</b>	<b>1,336,576</b>	<b>466,506</b>	<b>20,113</b>	<b>13,665</b>	<b>1,836,860</b>
	<b>\$ 7,371,568</b>	<b>\$ 466,506</b>	<b>\$ 20,113</b>	<b>\$ 13,665</b>	<b>\$ 7,871,852</b>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET -  
GOVERNMENTAL FUNDS WITH NET POSITION IN THE  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

---

TOTAL GOVERNMENTAL FUND BALANCES	\$ 1,836,860
----------------------------------	--------------

Amounts reported in the statement of net position are difference because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported as assets in the fund financial statements:

Capital assets	52,367,028
Accumulated depreciation	(30,570,790)

Prepaid expenses related to debt service that are recognized in the funds but not in the government wide financial statements.	(12,666)
--	----------

Unavailable revenue in the governmental-fund balance sheet includes taxes receivable that are not considered a current resource.	715,420
--	---------

Internal service fund is used by management to charge the cost of health insurance to various departments. The net revenue/expense of the internal service fund is reported with governmental activities.	(71,530)
---	----------

The District's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the District's pension plans are not reported in the governmental funds but are reported in the statement of net position:

Net pension liability	(33,917,000)
Deferred outflows of resources	4,450,890
Deferred inflows of resources	(1,510,000)

The accompanying notes are an integral part of these financial statements.



**RIVERSIDE SCHOOL DISTRICT**

**RECONCILIATION OF FUND BALANCE IN THE BALANCE SHEET -  
GOVERNMENTAL FUNDS WITH NET POSITION IN THE  
STATEMENT OF NET POSITION (CONT'D)  
JUNE 30, 2020**

---

The District's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the District's OPEB plan are not reported in the governmental funds but are reported in the statement of net position:

Net OPEB obligation	(9,903,096)
Deferred outflows of resources	924,111
Deferred inflows of resources	(374,047)

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

General obligation bonds payable	(16,835,000)
General obligation notes payable	(280,000)
Lease obligations payable	(126,289)
Accrued interest payable	(115,916)
Bond premium, net of amortization	(229,106)
Bond discount, net of amortization	39,641
Special termination benefits	(242,527)
Compensated absences	<u>(781,610)</u>

<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (34,635,627)</u></b>
--	-------------------------------

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Capital Reserves</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Local sources	\$ 16,143,896	\$ 7,842	\$ 6	\$ 1,551	\$ 16,153,295
State sources	10,211,472	-	-	-	10,211,472
Federal sources	520,231	-	-	-	520,231
<b>Total Revenues</b>	<b>26,875,599</b>	<b>7,842</b>	<b>6</b>	<b>1,551</b>	<b>26,884,998</b>
<b>EXPENDITURES:</b>					
Instructional Services:					
Regular	12,001,768	-	-	-	12,001,768
Special	3,596,642	-	-	-	3,596,642
Vocational	289,052	-	-	-	289,052
Other Instructional Programs	86,277	-	-	-	86,277
<b>Total Instructional Services</b>	<b>15,973,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,973,739</b>
Support Services:					
Students	783,587	-	-	-	783,587
Instructional Staff	478,078	-	-	-	478,078
Administration	1,373,078	-	-	-	1,373,078
Pupil Health	365,643	-	-	-	365,643
Business	321,470	-	-	-	321,470
Operation and Maintenance of Plant Services	1,922,724	-	-	-	1,922,724
Student Transportation Services	924,937	-	-	-	924,937
Central	312,033	-	-	-	312,033
Other Support Services	23,557	-	-	-	23,557
<b>Total Support Services</b>	<b>6,505,107</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,505,107</b>
Operation of Non-Instructional Services	419,172	-	-	-	419,172
Facilities Acquisition, Construction, and Improvement	3,580	-	-	-	3,580
Debt Service:					
Debt service principal	76,532	-	-	2,030,000	2,106,532
Debt service interest/fees	7,544	-	-	541,169	548,713
Capital Outlay	459,156	141,100	-	-	600,256
<b>Total Expenditures</b>	<b>23,444,830</b>	<b>141,100</b>	<b>-</b>	<b>2,571,169</b>	<b>26,157,099</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,430,769</b>	<b>(133,258)</b>	<b>6</b>	<b>(2,569,618)</b>	<b>727,899</b>

The accompanying notes are an integral part of these financial statements.

RIVERSIDE SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Capital Reserves</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Other debt service and financing uses	(112,967)	-	-	-	(112,967)
Insurance recoveries	7,239	-	-	-	7,239
Special and extraordinary losses	(8,682)	-	-	-	(8,682)
Operating transfers-in	-	-	-	2,516,101	2,516,101
Operating transfers-out	(2,516,101)	-	-	-	(2,516,101)
Sale of assets	175,000	-	-	-	175,000
Proceeds from leases	67,556	-	-	-	67,556
Total Other Financing Sources (Uses)	<u>(2,387,955)</u>	<u>-</u>	<u>-</u>	<u>2,516,101</u>	<u>128,146</u>
<b>CHANGE IN FUND BALANCE</b>	1,042,814	(133,258)	6	(53,517)	856,045
<b>FUND BALANCE - Beginning</b>	<u>293,762</u>	<u>599,764</u>	<u>20,107</u>	<u>67,182</u>	<u>980,815</u>
<b>FUND BALANCE - Ending</b>	<u>\$ 1,336,576</u>	<u>\$ 466,506</u>	<u>\$ 20,113</u>	<u>\$ 13,665</u>	<u>\$ 1,836,860</u>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS  
WITH CHANGE IN NET POSITION  
YEAR ENDED JUNE 30, 2020**

---

CHANGE IN FUND BALANCE	\$ 856,045
------------------------	------------

The change in net position reported in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeds depreciation.

Capital outlays, net of disposals	440,445
Depreciation	(1,110,750)

Internal service fund is used by management to charge the cost of health insurance to various departments. The net revenue of the internal service fund is reported with governmental activities.

(111,361)

Governmental funds report the effect of issuance cost and discounts as an expenditure when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(67,556)

Repayment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:

Repayment of general obligation bonds	1,765,000
Repayment of general obligation note	265,000
Repayment of lease obligations payable	76,532
Accrued interest	5,567
Bond premium amortization	54,435
Bond discount amortization	(4,075)

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**RECONCILIATION OF CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS  
WITH CHANGE IN NET POSITION (CONT'D)  
YEAR ENDED JUNE 30, 2020**

---

In the statement of revenues, expenditures, and changes in fund balance, non-exchange revenue is only recognized when measurable and available. Therefore, any non-exchange balances collected past sixty-days of the balance sheet date are not recognized as revenue until the period collected. This amount is the net change in revenue accrued between the prior and the current year.

715,420

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. These items consist of:

Change in compensated absences	118,705
Special termination benefits	23,198
Change in net post employment benefit obligation	(916,346)
Change in net pension liability and related deferrals	<u>(638,240)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,472,019</u>
---	---------------------

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT****STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
JUNE 30, 2020**

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 188,066	\$ 35,518
Accounts receivable	35,901	-
Inventory	<u>18,657</u>	<u>-</u>
Total Current Assets	242,624	35,518
<b>CAPITAL ASSETS, net</b>	<u>32,471</u>	<u>-</u>
	<u>\$ 275,095</u>	<u>\$ 35,518</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 80,932	\$ -
Health insurance claims payable	-	107,048
Deferred revenue	13,858	-
Due to general fund	<u>220,467</u>	<u>-</u>
Total Current Liabilities	<u>315,257</u>	<u>107,048</u>
<b>NET POSITION:</b>		
Net investment in capital assets	32,471	-
Unrestricted	<u>(72,633)</u>	<u>(71,530)</u>
Total Net Position	<u>(40,162)</u>	<u>(71,530)</u>
	<u>\$ 275,095</u>	<u>\$ 35,518</u>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>
REVENUES:		
Charges for service	\$ 89,306	\$ 2,151,000
Interest income	<u>183</u>	<u>289</u>
	<u>89,489</u>	<u>2,151,289</u>
EXPENSES:		
Purchased services	621,400	-
Supplies	6,479	-
Depreciation	6,889	-
Fees	380	-
Medical claims	<u>-</u>	<u>2,262,650</u>
Total Expenses	<u>635,148</u>	<u>2,262,650</u>
LOSS FROM OPERATIONS	<u>(545,659)</u>	<u>(111,361)</u>
NON-OPERATING REVENUES:		
State sources	28,509	-
Federal sources	<u>620,033</u>	<u>-</u>
Total Non-Operating Revenues	<u>648,542</u>	<u>-</u>
CHANGE IN NET POSITION	102,883	(111,361)
NET POSITION - Beginning	<u>(143,045)</u>	<u>39,831</u>
NET POSITION - Ending	<u>\$ (40,162)</u>	<u>\$ (71,530)</u>

The accompanying notes are an integral part of these financial statements.

RIVERSIDE SCHOOL DISTRICT

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020**

	<u>Business-Type Activity</u>	<u>Governmental Activity</u>
	<u>Enterprise Fund</u>	
	<u>Food Service</u>	<u>Internal Service Fund</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash received from customers/interfund transfers	\$ 98,881	\$ 2,151,000
Cash paid to suppliers for goods and services	(623,331)	-
Cash paid for insurance claims	-	2,235,069
Interest received	<u>183</u>	<u>289</u>
Net Cash Used By Operating Activities	<u>(524,267)</u>	<u>(83,780)</u>
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Cash received from state sources	27,973	-
Cash received from Federal sources	<u>604,185</u>	<u>-</u>
Net Cash Provided by Non-Capital Financing Activities	<u>632,158</u>	<u>-</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(22,346)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	85,545	(83,780)
<b>CASH AND CASH EQUIVALENTS - Beginning</b>	<u>102,521</u>	<u>119,298</u>
<b>CASH AND CASH EQUIVALENTS - Ending</b>	<u><u>\$ 188,066</u></u>	<u><u>\$ 35,518</u></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss from operations	\$ (545,659)	\$ (111,361)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Depreciation	6,889	-
Change in assets and liabilities:		
Inventory	(7,935)	-
Accounts payable	(36,166)	-
Health insurance claims payable	-	27,581
Deferred revenue	9,575	-
Due to general fund	<u>49,029</u>	<u>-</u>
Net Cash Used by Operating Activities	<u><u>\$ (524,267)</u></u>	<u><u>\$ (83,780)</u></u>

The accompanying notes are an integral part of these financial statements.



**RIVERSIDE SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2020**

---

	<b>Private Purpose Trust</b>	
	<b><u>Scholarship</u></b>	<b><u>Agency</u></b>
<b>ASSETS:</b>		
Cash and investments	<b><u>\$ 85,604</u></b>	<b><u>\$ 83,543</u></b>
<b>LIABILITIES:</b>		
Due to students	<b><u>\$ -</u></b>	<b><u>\$ 83,543</u></b>
<b>NET POSITION:</b>		
Held in trust for scholarships	<b><u>\$ 85,604</u></b>	<b><u>\$ -</u></b>

The accompanying notes are an integral part of these financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2020**

---

	Private Purpose Trust	Scholarship
ADDITIONS:		
Contributions	\$ 23,805	
Interest	52	
	<hr/>	
Total Additions	23,857	
	<hr/>	
DEDUCTIONS:		
Scholarships awarded	23,416	
Other deductions	677	
	<hr/>	
Total Deductions	24,093	
	<hr/>	
CHANGE IN NET POSITION	(236)	
NET POSITION - Beginning	85,840	
	<hr/>	
NET POSITION - Ending	\$ 85,604	
	<hr/>	

The accompanying notes are an integral part of these financial statements.

# RIVERSIDE SCHOOL DISTRICT

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

---

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the more significant accounting policies of Riverside School District (the "District")

#### Reporting Entity

The District, located in Taylor, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through twelfth to students living in the Boroughs of Moosic and Taylor, Pennsylvania. These educational services include regular, advanced academic, vocational education programs, and special education programs for gifted and handicapped children. The District has a nine-member elected board of education and an appointed superintendent and business manager who oversee the daily operations of the District. The District's elementary school, middle school and high school are housed in three buildings.

The accompanying basic financial statements comply with GASB Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and 34*. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Government-Wide Financial Statements**

The District's government-wide financial statements include a statement of net position and a statement of activities. These statements present information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and District general revenues. Business-type activities are financed in whole or in part by fees charged for services.

All of the District's assets and liabilities, including capital assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges for services, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenue not included among other program revenues are reported as general revenues.

**Governmental-Fund Financial Statements**

Financial statements of the reporting government 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, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net assets/fund equity, revenues, and expenditures/expenses. The District reports the difference between its governmental fund assets, deferred outflows of resources, liabilities and deferred inflows of resources as fund balance.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental-fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District has presented all major funds that met the applicable criteria. An accompanying schedule is presented to reconcile and explain the differences in governmental-fund fund balances as presented in these statements to the net position presented in the government-wide financial statements.

# RIVERSIDE SCHOOL DISTRICT

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

---

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### Governmental-Fund Types

The following is a description of the governmental funds of the District:

##### General Fund (Major)

The general fund accounts for the general operations of the District and all financial transactions not accounted for in another governmental fund.

##### Capital Projects Fund

The capital projects fund is used to account for debt proceeds and other resources restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

##### Capital Reserves

The capital reserve fund allows the District to set aside money for future construction projects and major purchases.

##### Debt Service Fund

Debt service fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt. The fund balance of the debt service fund is reserved to signify the amounts are restricted exclusively for debt service expenditures, and is classified as a non-major fund.

#### Fiduciary Funds

Fiduciary funds account for the assets held by the District in a trustee capacity or as an agent for other funds. Fiduciary funds included in this category are:

##### Trust Fund

Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's programs. The trust fund of the District accounts for assets held for student scholarships.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Fiduciary Funds (Cont'd)**

**Agency Funds**

Agency funds are used to account for assets held by the District as an agent. Agency funds are custodial in nature and do not involve measurement or results of operations. The District's agency fund accounts for the funds of programs operated and sponsored by various clubs and organizations.

**Proprietary Funds**

The focus of proprietary funds' measurement is the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations.

The District's proprietary funds are classified as internal service and enterprise funds.

**Internal Service Fund**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. The District accounts for its self-insurance of health insurance claims in this fund. This proprietary fund is reported within the governmental activities in the government-wide financial statements.

**Enterprise Fund**

Enterprise funds are used for activities which are financed and operated in a manner similar to businesses in the private sector, where the intent of the governing body is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The principal operating revenue for the District's enterprise fund is the collection of food service fees. Operating expenses for the District's enterprise fund includes all expenses related to the operations of the cafeteria. All revenue or expenses not meeting this definition are reported as non-operating revenue and expenses.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Measurement Focus and Basis of Accounting**

The government-wide statement of net position and statement of activities are reported using the "economic resources measurement focus" and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes 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 are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental-fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. Intergovernmental aids and grants are recognized as revenues in the period the District is entitled to the resources and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenue. In general, other revenues are recognized when cash is received.

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Measurement Focus and Basis of Accounting (Cont'd)**

The District reports unearned revenues on its governmental-funds balance sheet. For governmental-fund financial statements, unearned revenues arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

**Budgetary Data**

An operating budget is adopted each year for the general fund on a modified accrual basis of accounting. The District utilizes the executive budget approach to budgetary control. This approach requires the Superintendent, together with the Business Office, to prepare and submit a plan of financial operation to the School Board.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the proprietary funds consider cash and certificates-of-deposit with an original maturity of three months or less when purchased, to be cash equivalents.

**Restricted Cash**

Several governmental-fund cash accounts, which were funded through grants from the Federal government and the Commonwealth of Pennsylvania, are restricted for various programs undertaken by the District.



# RIVERSIDE SCHOOL DISTRICT

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

---

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Taxes Receivable and Unearned Revenue

The portion of delinquent real estate taxes receivable that is expected to be received within 60 days of June 30 is recorded as revenue in the current year. The remaining balance of those and other taxes receivable is recorded as unavailable revenues.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

#### Due to and from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

#### Capital Assets

Capital assets are reported in the government-wide statement of net assets but are reported in the governmental-fund financial statements as expenditures.

The District's capital assets are capitalized at historical cost or estimated historical cost. District policy has set the capitalization threshold for reporting general capital assets at \$5,500. Donations or contributions of capital assets are recorded at fair-market value when received. The District's capital assets also includes assets held under capital lease.

All capital assets, except land and construction-in-progress, are depreciated. Land is never depreciated. Construction-in-progress costs are accumulated until the project is complete and placed in service. At that time, the costs are transferred to the appropriate asset class and depreciation begins.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the capital assets as follows:

	<u>Governmental Activities</u>
School buildings	40 years
Land or building improvements	20 years
Furniture, fixtures, or equipment	5 - 15 years

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District currently has two types of deferred outflows of resources. Deferred pension charges and deferred OPEB charges are reported in the statement of net position in connection with the District Pension Plan and post employment benefit plan. These deferred charges are either (a) recognized in the subsequent period as a reduction of the net pension or OPEB liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension or OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently has three types of deferred inflows of resources. On the statement of net position, deferred inflows of resources are related to pensions and post-employment benefits for certain actuarially determined differences between projected and actual investment earnings. In the governmental-funds balance sheet, deferred inflows of resources are related to unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Compensated Absences**

For governmental activities, compensated absences are recorded when earned and related expenses and liabilities are reported. In governmental funds, compensated absences are recorded as expenditures in the years paid.

The District's policies allows for personnel to accumulate unused vacation, sick, and termination severance pay as follows:

Professional instructional personnel are entitled to be compensated; if separated from service upon completing ten years of employment, up to a maximum of 200 unused sick days.

Administrative and non-professional personnel are entitled to accrue an annually designated number of unused vacation and sick days which carry from year to year.

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**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 PSER's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair-value.

**Fund Equity**

Fund equity at the governmental-fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

**Governmental Fund Balances**

Generally, governmental fund balances represent the difference between current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

**Nonspendable:** amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

**Restricted:** amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed:** fund balance that contain self-imposed constraints of the government from its highest level of decision making authority, the Board of Education. The Board of Education commits revenue streams through adopted motions.

**Assigned:** amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Fund balance is assigned by the Board of Education through passage of a resolution.

**Unassigned:** all other spendable amounts.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Governmental Fund Balances (Cont'd)**

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned, then unassigned.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net investment in capital assets amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Interfund Transactions**

The District had numerous transactions between funds to finance operations, provide services, construct assets, and service debt. These transactions are classified as operating transfers-in/out, and due from/to other funds. The following illustrations summarize interfund transactions (as presented in the District's fund financial statements) for the year ended June 30, 2020.

The operating transfers between funds for the year ended June 30, 2020 were as follows:

	TRANSFERS - <u>IN</u>	TRANSFERS - <u>OUT</u>
General Fund:		
Debt Service Fund	\$ <u>-</u>	\$ <u>2,516,101</u>
Debt Service Fund:		
General Fund	\$ <u>2,516,101</u>	\$ <u>-</u>

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Interfund Transactions (Cont'd)**

Transfers are made to utilize unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary and legal authorizations.

The following summarizes receivables and payables between governmental funds as of June 30, 2020:

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
Food Service Fund	<u>\$ 220,467</u>	<u>\$ -</u>
Food Service Fund:		
General Fund	<u>\$ -</u>	<u>\$ 220,467</u>

**Effects of New Pronouncements**

The following summarizes recent Governmental Accounting Standards Board ("GASB") pronouncements and their impact, if any, on the financial statements:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2019. The District is currently evaluating the effects of this statement on its financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement increases the usefulness of a government's financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract.

The provisions of Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The District is currently evaluating the effects of this statement on its financial statements.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Effects of New Pronouncements (Cont'd)**

In June 2019, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are 1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and 2) to simplify accounting for interest cost incurred before the end of a construction period.

The provisions of Statement No. 89 are effective for fiscal years beginning after December 15, 2020. The District is currently evaluating the effects of this statement on its financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

The provisions of Statement No. 96 are effective for fiscal years beginning after June 15, 2022. The District is currently evaluating the effects of this standard on its financial statements.

GASB has also issued the following pronouncements which management of the District does not expect to impact the financial statements.

- Statement No. 90, *Majority Equity Interests - an Amendment of GASB Standards No. 14 and No. 61*, with an effective date for fiscal years beginning after December 15, 2019.
- Statement No. 91, *Conduit Debt Obligations*, with an effective date for fiscal years beginning after December 15, 2021.
- Statement No. 92, *Omnibus 2020*, with an effective date for fiscal years beginning after June 15, 2021.
- Statement No. 93, *Replacement of Interbank Offered Rates*, with an effective date for fiscal years beginning after June 15, 2021.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statement No. 14 and No. 84, and a suppression of GASB Statement No. 32*, with effective dates through June 15, 2021.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Subsequent Events**

Management performed a review for subsequent events through March 29, 2021, which is the date the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements for the year ended June 30, 2020, and has determined that the District has no subsequent events that are required to be reported.

**NOTE 2: CASH AND INVESTMENTS**

**Cash**

The District maintains its bank accounts with local financial institutions. Custodial credit risk is the risk that, in the event of a financial institution failure, the District's deposits may not be returned to it. At June 30, 2020, \$2,841,492 of the financial institution balance of \$3,246,596 was uninsured, but was collateralized by collateral held by the pledging bank's trust department not in the District's name.

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest funds in the following investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) 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.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

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

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Increases/ Reclassifications</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital assets, not being depreciated:				
Land	\$ 321,200	\$ -	\$ 18,711	\$ 302,489
Construction in progress	<u>-</u>	<u>60,128</u>	<u>-</u>	<u>60,128</u>
Total capital assets, not being depreciated	<u>\$ 321,200</u>	<u>\$ 60,128</u>	<u>\$ 18,711</u>	<u>\$ 362,617</u>
Capital assets, being depreciated:				
Buildings and improvements	46,241,536	-	-	46,241,536
Furniture and equipment	4,979,871	78,168	255,962	4,802,077
Site Improvements	<u>639,938</u>	<u>320,860</u>	<u>-</u>	<u>960,798</u>
Total capital assets, being depreciated	<u>51,861,345</u>	<u>399,028</u>	<u>255,962</u>	<u>52,004,411</u>
Less: Accumulated depreciation				
Buildings and improvements	(24,266,106)	(1,016,406)	-	(25,282,512)
Furniture and equipment	(4,862,324)	(80,538)	(255,962)	(4,686,900)
Site Improvements	<u>(587,572)</u>	<u>(13,806)</u>	<u>-</u>	<u>(601,378)</u>
Total accumulated depreciation	<u>(29,716,002)</u>	<u>(1,110,750)</u>	<u>(255,962)</u>	<u>(30,570,790)</u>
Total capital assets being depreciated, net	<u>22,145,343</u>	<u>(711,722)</u>	<u>-</u>	<u>21,433,621</u>
Capital assets, net	<u>\$ 22,466,543</u>	<u>\$ (651,594)</u>	<u>\$ 18,711</u>	<u>\$ 21,796,238</u>
<b>BUSINESS-TYPE ACTIVITY:</b>				
Capital assets, being depreciated:				
Furniture and equipment	\$ 105,567	\$ 22,346	\$ -	\$ 127,913
Less: Accumulated depreciation:				
Furniture and equipment	<u>(88,553)</u>	<u>(6,889)</u>	<u>-</u>	<u>\$ (95,442)</u>
Capital assets, net	<u>\$ 17,014</u>	<u>\$ 15,457</u>	<u>\$ -</u>	<u>\$ 32,471</u>



**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4: LONG-TERM OBLIGATIONS**

At June 30, 2020, general long-term obligations were as follows:

	Balance Outstanding July 1, 2019	Additions	Reductions	Balance Outstanding June 30, 2020	Amounts Due Within One Year
<b>General Obligation Bonds:</b>					
2014 General Obligation Bond	\$ 10,890,000	\$ -	\$ 1,400,000	\$ 9,490,000	\$ -
2016 General Obligation Bond	2,740,000	-	355,000	2,385,000	-
2017 General Obligation Bond	1,240,000	-	5,000	1,235,000	5,000
2018 General Obligation Bond	3,730,000	-	5,000	3,725,000	5,000
<b>Total General Obligation Bonds</b>	<b>18,600,000</b>	<b>-</b>	<b>1,765,000</b>	<b>16,835,000</b>	<b>10,000</b>
<b>General Obligation Note:</b>					
2013 General Obligation Note	545,000	-	265,000	280,000	280,000
<b>Total Long-Term Debt Obligations</b>	<b>19,145,000</b>	<b>-</b>	<b>2,030,000</b>	<b>17,115,000</b>	<b>290,000</b>
<b>Lease Obligations Payable:</b>					
Capitalized Equipment Leases	135,265	67,556	76,532	126,289	61,704
<b>Total Long-Term Obligations</b>	<b>\$ 19,280,265</b>	<b>\$ 67,556</b>	<b>\$ 2,106,532</b>	<b>\$ 17,241,289</b>	<b>\$ 351,704</b>
<b>Other Long-Term Obligations:</b>					
Special termination benefits	\$ 265,725	73,720	\$ 96,918	\$ 242,527	82,219
Compensated absences	900,315	-	118,705	781,610	-
Other post-employment benefit obligations	10,400,661	-	497,565	9,903,096	-
Net pension liability	34,660,000	-	743,000	33,917,000	-
<b>Total Other Long-term Obligations</b>	<b>\$ 46,226,701</b>	<b>\$ 73,720</b>	<b>\$ 1,456,188</b>	<b>\$ 44,844,233</b>	<b>\$ 82,219</b>

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 4: LONG-TERM OBLIGATIONS (CONT'D)**

A summary of long-term debt outstanding at June 30, 2020 is as follows:

**General Obligation Bonds**

**Series 2014**

During the year ended June 30, 2014, the District issued General Obligation Bond Series 2014, in the amount of \$16,410,000, at interest rates between .15% and 4.00%. Principal and interest payments are due each year on September 15th and interest only payments due on April 15th. The bonds were used to refund the outstanding balance of the Series 2004 bonds.

**Series 2016**

During the year ended June 30, 2017, the District issued General Obligation Bond Series 2016, in the amount of \$3,563,000, at interest rates between .65% and 2.00%. Principal and interest payments are due each year on October 15th and interest only payments due on April 15th. The bonds were used to refund the outstanding balance of the Series 2010 and Series 2011 bonds.

**Series 2017**

During the year ended June 30, 2018, the District issued General Obligation Bond Series 2017, in the amount of \$1,245,000, at interest rates between 1.05% and 2.125%. Principal and interest payments are due each year on October 15th and interest only payments due on April 15th. The bonds were used to refund a portion of the Series 2014 bonds.

**Series 2018**

During the year ended June 30, 2019, the District issued General Obligation Bond Series 2018, in the amount of \$3,730,000, at interest rates between 1.85% and 3.00%. Principal and interest payments are due each year on October 15th and interest only payments due on April 15th. The bonds were used for improvements to existing facilities of the District.

**Series 2020**

In August 2020, the District issued General Obligation Bond Series 2020, in the amount of \$1,865,000, at interest rates between 1.00% and 2.00%. Principal and interest payments are due each year on October 15th and interest only payments due on April 15th. The bonds were issued to refund the current portion of the Series 2014 and 2016 bonds.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 4: LONG-TERM OBLIGATIONS (CONT'D)**

Future debt service requirements on general obligation bonds as of June 30, 2020 are as follows:

<u>Years Ending June 30,:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 10,000	\$ 485,596	\$ 495,596
2022	2,135,000	447,283	2,582,283
2023	2,200,000	385,185	2,585,185
2024	2,270,000	316,894	2,586,894
2025	2,330,000	252,485	2,582,485
2026-2030	<u>7,890,000</u>	<u>343,170</u>	<u>8,233,170</u>
	<u>\$ 16,835,000</u>	<u>\$ 2,230,613</u>	<u>\$ 19,065,613</u>

Note: Debt service requirements adjusted to reflect the effects of the Series 2020 bonds.

**General Obligation Note**

**Series 2013**

During the year ended June 30, 2014, the District issued General Obligation Note Series 2013, in the amount of \$2,540,000, at interest rates between .37% and 2.25%. Principal and interest payments are due each year on September 15th and interest only payments due on April 15th. The notes were used to refund the outstanding balance of the Series A and B of 2008 notes.

Future debt service requirements on general obligation notes as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	<u>\$ 280,000</u>	<u>\$ 3,150</u>	<u>\$ 283,150</u>

**Lease Obligations Payable**

The District entered into various leases for equipment with a net value of \$93,885 at June 30, 2020 payable in annual installments including interest from 5.26% to 5.97%, with final payments through July 2022.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 4: LONG-TERM OBLIGATIONS (CONT'D)**

**Lease Obligations Payable (Cont'd)**

The debt service for capitalized leases is as follows for governmental activities:

<u>Years Endeing June 30,:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 61,704	\$ 7,365	\$ 69,069
2022	47,235	3,865	51,089
2023	<u>17,350</u>	<u>1,035</u>	<u>18,385</u>
	<u>\$ 126,289</u>	<u>\$ 12,265</u>	<u>\$ 138,543</u>

**NOTE 5: PENSION PLAN**

**Plan Description**

The District participates in the PSERS pension plan. 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 under Title 24 Part IV of the Pennsylvania General Assembly. 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.state.pa.us](http://www.psers.state.pa.us).

**Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one 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 and Class T-F members must work until age 65 with a minimum of three 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 percent or 2.5 percent, 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.

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 5: PENSION PLAN (CONT'D)**

**Benefits Provided (Cont'd)**

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 percent or 2.5 percent, 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.

**Contributions**

The contribution policy is set by the state statute and requires contributions by active members, employers, and the Commonwealth of Pennsylvania.

**Member Contributions**

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

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

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

# RIVERSIDE SCHOOL DISTRICT

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020**

---

### **NOTE 5: PENSION PLAN (CONT'D)**

#### Contributions (Cont'd)

##### Member Contributions (Cont'd)

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

##### Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2020 was 34.29% 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. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the District were \$3,142,890 for the year ended June 30, 2020.

The District is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance. For the year ended June 30, 2020 the contribution rate was .84% of covered payroll and the District contributed \$82,000.

Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for approximately one-half of the employer contributions made, including contributions related to pension and healthcare. The reimbursement recognized by the District for the year ended June 30, 2020 was \$2,145,894.

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

At June 30, 2020, the District reported a liability of \$33,917,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2019 to June 30, 2020. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the District's proportion was .0725% which was a decrease of .0003% from its proportion measured as of June 30, 2018.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5: PENSION PLAN (CONT'D)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

For the year ended June 30, 2020, the District recognized pension expense of \$3,779,000. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ (97,000)
Changes in actual experience and expected experience	187,000	(1,124,000)
Changes in assumptions	324,000	-
Changes in proportion	797,000	(289,000)
Contributions subsequent to the measurement date	<u>3,142,890</u>	<u>-</u>
	<u>\$ 4,450,890</u>	<u>\$ (1,510,000)</u>

The \$3,142,890 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding the District's change in proportion) will be recognized in pension expense as follows:

<u>Years Ending June 30,:</u>	<u>Amount</u>
2021	\$ 163,000
2022	(592,000)
2023	(341,000)
2024	<u>60,000</u>
	<u>\$ (710,000)</u>

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 5: PENSION PLAN (CONT'D)**

**Actuarial Assumptions**

The total pension liability as of June 30, 2019 was determined by rolling forward the System's total pension liability as of the June 30, 2018 actuarial valuation to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level percent of pay
- Investment return - 7.25 percent, includes inflation at 2.75 percent
- Salary increases - effective average of 5.00 percent, which reflects an allowance for inflation of 2.75 percent, real wage growth and merit or seniority increases of 2.25 percent
- Mortality rates were based on 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.

**Investments**

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 the 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 for the benefits provided through the pension.

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.58%. The money-weighted rate of return expresses investment performance. Net of investment expense, adjusted for the changing amounts actually invested.



**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 5: PENSION PLAN (CONT'D)**

**Investments (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of return</u>
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
MLPs/Infrastructure	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	<u>(20.0%)</u>	0.7%
	<u>100.0%</u>	

**Discount Rate**

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

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

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

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

---

**NOTE 5: PENSION PLAN (CONT'D)**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)**

	1% Decrease <u>6.25%</u>	Current Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
District's proportionate share of the net pension liability	<u>\$ 42,248,000</u>	<u>\$ 33,917,000</u>	<u>\$ 26,864,000</u>

**Pension Plan Fiduciary Net Position**

Detailed information about PSERS fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

**Payables to the Pension Plan**

At June 30, 2020, the District had an accrued balance due to PSERS of \$2,109,472. This amount represents the District's contractually obligated contributions for wages earned from January 2020 through June 30, 2020. The balance was paid in September 2020.

**NOTE 6: POST-RETIREMENT HEALTHCARE BENEFITS**

**Plan Description**

The District's collective bargaining agreements with its employees provide for post-employment health insurance benefits for eligible employees that have reached fifteen years with PSERS and have retired through PSERS. Administrators, while not party to the contract, are provided similar benefits. The District is providing coverage from the date of retirement until the individual becomes eligible for the Federal government health insurance program. The cost of such medical, vision and dental coverage for retirees and spouses is determined by the contract provisions at the time of retirement. The plan provides post-retirement medical, prescription drug, vision, and dental benefits.

The following employees were covered by the benefit terms at June 30, 2020:

Retired participants	4
Vested former participants	0
Active participants	<u>184</u>
Total	<u>188</u>

RIVERSIDE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

---

**NOTE 6: POST-RETIREMENT HEALTHCARE BENEFITS (CONT'D)**

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. As of June 30, 2020, no trust has been established for the funding of the Plan's post-employment benefit obligation. The District is responsible for 100% of the premiums, and may be amended by the Board of Education.

<u>Changes in the Total OPEB Liability:</u>	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 8,895,661
Changes for the year:	
Service cost	625,874
Interest	281,343
Changes of benefit terms	-
Differences between expected and actual experience	616,008
Changes in assumptions or other inputs	(367,183)
Benefit payments	<u>(148,607)</u>
Balance at June 30, 2019	<u>\$ 9,903,096</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.36%) or 1-percentage-point higher (4.36%) than the current discount rate:

	1% Decrease <u>(2.36%)</u>	Rate <u>(3.36%)</u>	1% Increase <u>(4.36%)</u>
Total OPEB Liability	<u>\$ 10,885,802</u>	<u>\$ 9,903,096</u>	<u>\$ 8,976,704</u>

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6: POST-RETIREMENT HEALTHCARE BENEFITS (CONT'D)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost-trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 8,392,621</u>	<u>\$ 9,903,096</u>	<u>\$ 11,721,582</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the District recognized \$939,139 in OPEB expense, which was determined as follows:

Service cost	\$ 625,874
Interest	281,343
Current benefit changes	-
Current period amortization of deferred inflows and outflows of resources:	
Deferred outflows	58,640
Deferred inflows	(26,718)
	<u>\$ 939,139</u>

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 574,941	\$ -
Changes of assumptions or other inputs	228,450	(374,047)
Benefits paid subsequent to the measurement date	<u>120,720</u>	<u>-</u>
	<u>\$ 924,111</u>	<u>\$ (374,047)</u>

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 6: POST-RETIREMENT HEALTHCARE BENEFITS (CONT'D)**

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

<u>Year ending June 30,:</u>	<u>Amount</u>
2021	\$ 31,922
2022	31,922
2023	31,922
2024	31,922
2025	31,922
Thereafter	<u>269,734</u>
	<u>\$ 429,344</u>

**NOTE 7: FUND BALANCE**

General Fund:

Nonspendable for:	
Prepaid expense	\$ 57,955
Unassigned	<u>1,278,621</u>
	<u>1,336,576</u>

Capital Projects Fund:

Restricted for:	
Capital improvements	<u>466,506</u>

Capital Reserve Fund:

Assigned for:	
Capital improvements	<u>20,113</u>

Debt Service Fund:

Restricted for:	
Debt service	<u>13,665</u>
	<u>\$ 1,836,860</u>

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 8: CONTINGENCIES AND COMMITMENTS**

**Grant Programs**

The District participates in both state and Federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of non-compliance which would result in the disallowance of program expenditures.

**Litigation**

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the District's solicitor, the ultimate disposition of any matters outstanding at June 30, 2020 will not have a material effect on the District's financial position.

**Other**

On March 11, 2020, the World Health Organization declared, a novel strain of coronavirus disease ("COVID-19") a pandemic. The extent of COVID-19's effect on the District's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape.

Management currently believes that it has adequate liquidity and business plans to continue to operate the District and mitigate the risks associated with COVID-19 for twelve months from the date of this report.

**NOTE 9: RISK MANAGEMENT**

The District is self-insured for healthcare claims. At June 30, 2020, the District carried a stop loss policy limiting its liability per individual to \$75,000. The policy also has aggregate excess loss coverage with a maximum plan period reimbursement of \$1,000,000 and a minimum aggregate deductible of \$3,010,891. During the year ended June 30, 2020, employees of the District were covered by the District's medical self-insurance plan. The District contributed \$2,151,000 to the plan during the year ended June 30, 2020. Claims were paid by a third-party administrator acting on behalf of the District.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 10: CREDIT AND MARKET RISK**

The District uses its authority to levy certain general purpose taxes. Major taxing revenue sources include real estate and earned income taxes. These taxes account for approximately 55% of the total revenue collected by the District for the year ended June 30, 2020. Although the District has a diversified taxing base, residents' of the district ability to honor their taxing obligations is substantially dependent upon the general economic condition of the region.

**NOTE 11: SPECIAL TERMINATION BENEFITS**

The District's collective bargaining agreements provide an early retirement incentive for those employees who retire with a specified level of service to the District and with PSERS. The District pays 90% of the final salary based upon years of service in equal payments over five years. The District used a discount rate of 5.5% to estimate the effect of making the cash payments over multiple periods.

Changes in special termination benefits for the year ended June 30, 2020 were as follows:

Balance at July 1, 2019	\$ 293,852
Additions	82,594
Payments	<u>(102,083)</u>
Balance at June 30, 2020	274,363
Less: Unamortized discount	<u>(31,836)</u>
Present value of special termination benefits	242,527
Less: Current portion	<u>(82,219)</u>
Long-term portion of special termination benefits	<u>\$ 160,308</u>

The District pays special termination benefits from the general fund.

**NOTE 12: SUBSEQUENT EVENT**

In August 2020, the District issued General Obligation Bonds, series 2020 in the amount of \$1,865,000. Proceeds of the bonds were used to pay the current principle due on the series 2014 and 2016 bonds.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

---

**NOTE 13: RESTATEMENT**

The June 30, 2019 financial statements of the District overstated the liability for the OPEB obligation by \$1,505,000. Net position as of June 30, 2019 has been restated to correct this misstatement as follows:

Net Position - As previously reported	\$ (37,612,645)
Correction of OPEB liability	<u>1,505,000</u>
Net Position - As restated	<u>\$ (36,107,645)</u>



RIVERSIDE SCHOOL DISTRICT

PENSION PLAN  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) PLAN  
UNAUDITED  
LAST 7 FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.0725%	0.0722%	0.0734%	0.0696%	0.0697%	0.0706%	0.0718%
District's proportionate share of the net pension liability	\$ 33,917,000	\$ 34,660,000	\$ 36,251,000	\$ 34,492,000	\$ 30,191,000	\$ 27,944,000	\$ 29,392,000
District's covered-employee payroll	\$ 9,999,250	\$ 9,724,201	\$ 9,778,716	\$ 9,018,188	\$ 8,966,560	\$ 9,011,436	\$ 9,209,128
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	<u>339.20%</u>	<u>356.43%</u>	<u>370.71%</u>	<u>382.47%</u>	<u>336.71%</u>	<u>310.09%</u>	<u>319.16%</u>
Plan fiduciary net position as a percentage total pension liability	<u>55.66%</u>	<u>54.00%</u>	<u>51.84%</u>	<u>50.14%</u>	<u>54.35%</u>	<u>57.24%</u>	<u>54.49%</u>

\*This schedule is presented to illustrate the requirement to show information for ten (10) years, however, until a full 10-year trend is complete, available information is presented.

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM (PSERS) PLAN  
UNAUDITED  
LAST 7 FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,142,890	\$ 3,257,130	\$ 3,058,778	\$ 2,868,842	\$ 2,182,377	\$ 1,780,825	\$ 1,384,180
Contributions in relation to the contractually required contribution	<u>3,142,890</u>	<u>(3,257,130)</u>	<u>(3,058,778)</u>	<u>(2,868,742)</u>	<u>(2,182,377)</u>	<u>(1,780,825)</u>	<u>(1,384,180)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	<u>\$ 9,999,250</u>	<u>\$ 9,724,201</u>	<u>\$ 9,778,716</u>	<u>\$ 9,018,188</u>	<u>\$ 8,966,560</u>	<u>\$ 8,686,951</u>	<u>\$ 9,011,436</u>
Contributions as a percentage of covered-employee payroll	<u>31.43%</u>	<u>33.50%</u>	<u>31.30%</u>	<u>31.80%</u>	<u>24.30%</u>	<u>20.50%</u>	<u>15.40%</u>

Amounts are based on actual contributions during the fiscal year.

\*This schedule is presented to illustrate the requirement to show information for ten (10) years, however, until a full 10-year trend is complete, available information is presented.

See independent auditors' report and note to required supplementary information.

**RIVERSIDE SCHOOL DISTRICT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2020**

---

**Pension Plan**

Valuation date June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarially cost method	Entry age normal - level % of pay
Salary increases	Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases
Investment rate of return	7.25% including inflation at 2.75%
Mortality	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

**RIVERSIDE SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S OPEB LIABILITY  
AND RELATED RATIOS  
JUNE 30, 2020**

---

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:			
Service cost	\$ 625,874	\$ 593,121	\$ 591,695
Interest	281,343	273,251	194,566
Change of benefit terms	-	-	-
Differences between expected and actual experience	616,007	-	-
Change in assumptions or other inputs	(367,182)	(35,821)	281,169
Benefit payments	<u>(148,607)</u>	<u>(156,757)</u>	<u>(147,884)</u>
Net Change in Total OPEB Liability	1,007,435	673,794	919,546
Total OPEB Liability - Beginning	<u>8,895,661</u>	<u>8,221,867</u>	<u>7,302,321</u>
Total OPEB Liability - Ending	<u>\$ 9,903,096</u>	<u>\$ 8,895,661</u>	<u>\$ 8,221,867</u>
Covered-employee payroll	<u>\$ 10,089,783</u>	<u>\$ 8,810,264</u>	<u>\$ 8,810,264</u>
District's OPEB liability as a percentage of employee payroll	<u>98.15%</u>	<u>100.97%</u>	<u>93.32%</u>

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See independent auditors' report and note to required supplementary information.

**RIVERSIDE SCHOOL DISTRICT**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
OPEB PLAN  
JUNE 30, 2020**

---

	<b><u>Other Post- Employment Benefit Plan</u></b>
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	30 years
Healthcare Inflation Rate	6.0% in 2018, and 5.5% in 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Salary Increases	An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0%.
Investment Rate of Return	There are no invested assets.
Discount Rate	3.36%

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>REVENUE:</b>				
Local sources	\$ 16,111,651	\$ 16,143,896	\$ 32,245	\$ 15,966,993
State Sources	10,137,489	10,211,472	73,983	9,298,341
Federal Sources	<u>500,663</u>	<u>520,231</u>	<u>19,568</u>	<u>499,934</u>
Total Revenue	<u>26,749,803</u>	<u>26,875,599</u>	<u>125,796</u>	<u>25,765,268</u>
<b>EXPENDITURES:</b>				
Instruction - Regular Programs	12,871,012	12,001,768	(869,244)	11,751,528
Instruction - Special Programs	3,118,924	3,596,642	477,718	3,198,332
Instruction - Vocational Programs	430,000	289,052	(140,948)	364,830
Other Instructional Programs - E/S	40,517	86,277	45,760	119,726
Support Services - Students	840,918	783,587	(57,331)	702,248
Support Services - Instructional Staff	616,345	478,078	(138,267)	656,202
Support Services - Administration	1,306,682	1,373,078	66,396	1,407,155
Support Services - Pupil Health	324,764	365,643	40,879	390,778
Support Services - Business	287,960	321,470	33,510	458,694
Support Services - Operation and Maintenance of Plant Services	1,952,387	1,922,724	(29,663)	2,251,428
Support Services - Student Transportation Services	1,296,550	924,937	(371,613)	1,303,898
Support Services - Central	355,716	312,033	(43,683)	307,601
Support Services - Other	23,488	23,557	69	23,533
Operation of Noninstructional Services - Student Activities	568,656	419,172	(149,484)	464,066
Facilities Acquisition, Construction and Improvement Services	-	3,580	3,580	8,636
Debt Service	-	84,076	84,076	-
Capital Outlay	<u>-</u>	<u>459,156</u>	<u>459,156</u>	<u>-</u>
Total Expenditures	<u>24,033,919</u>	<u>23,444,830</u>	<u>(589,089)</u>	<u>23,408,655</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>2,715,884</u>	<u>3,430,769</u>	<u>714,885</u>	<u>2,356,613</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Other debt service and financing uses	(183,850)	(112,967)	70,883	231,558
Insurance recoveries	-	7,239	7,239	-
Special and extraordinary losses	-	(8,682)	(8,682)	-
Operating transfers-out	(2,474,064)	(2,516,101)	(42,037)	2,549,481
Sale of assets	-	175,000	175,000	-
Proceeds from leases	-	67,556	67,556	-
Budgetary reserve	<u>(57,970)</u>	<u>-</u>	<u>57,970</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,715,884)</u>	<u>(2,387,955)</u>	<u>327,929</u>	<u>2,781,039</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,042,814</u>	<u>\$ 1,042,814</u>	<u>\$ 5,137,652</u>

See independent auditors' report.

RIVERSIDE SCHOOL DISTRICT

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>REVENUE:</b>				
<b>Local Sources:</b>				
Current real estate taxes	\$ 13,407,099	\$ 13,567,412	\$ 160,313	\$ 12,939,288
Public utility realty tax	14,500	13,833	(667)	14,332
Payments in lieu of taxes	19,500	19,000	(500)	18,582
Occupation tax	55,000	47,004	(7,996)	53,451
Earned income tax	1,400,000	1,470,600	70,600	1,477,995
Real estate transfer taxes	240,000	165,158	(74,842)	404,947
Delinquent taxes	300,000	333,372	33,372	545,167
Other taxes	52,000	88,144	36,144	60,415
Earnings on investments	7,000	18,911	11,911	8,783
Rentals	6,000	-	(6,000)	2,148
Tuition	21,000	-	(21,000)	-
Student activities	41,000	-	(41,000)	69,057
Receipts from intermediary sources	278,552	255,618	(22,934)	278,552
Miscellaneous	270,000	164,844	(105,156)	94,276
<b>Total Local Sources</b>	<b>16,111,651</b>	<b>16,143,896</b>	<b>32,245</b>	<b>15,966,993</b>
<b>State Sources:</b>				
Basic instructional subsidy	5,369,006	5,359,012	(9,994)	5,091,532
Driver education	1,600	560	(1,040)	1,050
Special education of exceptional pupils	854,198	831,344	(22,854)	818,098
Transportation	490,000	530,402	40,402	497,057
Rentals and sinking fund payments	580,579	-	(580,579)	-
Health services	28,500	48,574	20,074	28,266
Property tax relief payments	463,591	463,591	-	463,971
Extra grants	-	184,022	184,022	27,679
Revenue for social security	388,129	425,916	37,787	372,806
Revenue for retirement	1,739,729	2,145,894	406,165	1,775,725
Ready to learn	222,157	222,157	-	222,157
<b>Total State Sources</b>	<b>10,137,489</b>	<b>10,211,472</b>	<b>73,983</b>	<b>9,298,341</b>
<b>Federal Sources:</b>				
Title I	395,011	395,009	(2)	400,893
Title II	61,000	70,179	9,179	63,762
Title IV	31,000	33,622	2,622	28,164
Medical assistance	13,652	14,843	1,191	6,027
Other grants	-	6,578	6,578	1,088
<b>Total Federal Sources</b>	<b>500,663</b>	<b>520,231</b>	<b>19,568</b>	<b>499,934</b>
<b>Total Revenues</b>	<b>\$ 26,749,803</b>	<b>\$ 26,875,599</b>	<b>\$ 125,796</b>	<b>\$ 25,765,268</b>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>EXPENDITURES:</b>				
Instruction - Regular Programs:				
Salaries	\$ 6,655,076	\$ 6,489,859	\$ (165,217)	\$ 6,407,803
Employee benefits	5,131,490	4,296,684	(834,806)	4,062,818
Purchased professional services and technical services	140,650	98,680	(41,970)	209,484
Purchased property services	5,400	16,863	11,463	5,773
Other purchased services	616,050	846,884	230,834	828,810
Supplies	307,286	227,387	(79,899)	219,881
Property	5,500	25,154	19,654	11,306
Other objects	<u>9,560</u>	<u>257</u>	<u>(9,303)</u>	<u>5,653</u>
Total Instruction - Regular Programs	<u>12,871,012</u>	<u>12,001,768</u>	<u>(869,244)</u>	<u>11,751,528</u>
Instruction - Special Programs:				
Salaries	1,125,851	1,331,737	205,886	1,224,332
Employee benefits	855,506	747,985	(107,521)	721,517
Purchased professional services and technical services	1,031,140	1,415,565	384,425	1,192,037
Purchased property services	-	243	243	-
Other purchased services	63,050	51,579	(11,471)	28,128
Supplies	41,838	46,135	4,297	23,062
Property	539	3,398	2,859	-
Other objects	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>9,256</u>
Total Instruction - Special Programs	<u>3,118,924</u>	<u>3,596,642</u>	<u>477,718</u>	<u>3,198,332</u>
Instruction-Vocational Programs:				
Other purchased services	-	289,052	289,052	364,830
Other objects	<u>430,000</u>	<u>-</u>	<u>(430,000)</u>	<u>-</u>
Total Vocational Education Programs	<u>430,000</u>	<u>289,052</u>	<u>(140,948)</u>	<u>364,830</u>

See independent auditors' report.



**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>EXPENDITURES (CONT'D):</b>				
Other Instructional Programs - E/S:				
Salaries	23,855	59,754	35,899	53,455
Employee benefits	16,662	22,781	6,119	34,138
Purchased professional services and technical services	-	3,742	3,742	30,533
Other purchased services	-	-	-	1,500
Supplies	-	-	-	100
	<u>40,517</u>	<u>86,277</u>	<u>45,760</u>	<u>119,726</u>
Total Other Instructional Programs - E/S	<u>40,517</u>	<u>86,277</u>	<u>45,760</u>	<u>119,726</u>
Total Instruction	<u>16,460,453</u>	<u>15,973,739</u>	<u>(486,714)</u>	<u>15,434,416</u>
Support Services - Students:				
Salaries	446,061	421,174	(24,887)	353,746
Employee benefits	348,312	319,587	(28,725)	330,029
Purchased professional services and technical services	11,070	34,351	23,281	13,225
Purchased property services	6,610	-	(6,610)	-
Other purchased services	27,615	1,540	(26,075)	281
Supplies	750	6,835	6,085	4,747
Other objects	500	100	(400)	220
	<u>840,918</u>	<u>783,587</u>	<u>(57,331)</u>	<u>702,248</u>
Total Support Services - Students	<u>840,918</u>	<u>783,587</u>	<u>(57,331)</u>	<u>702,248</u>
Support Services - Instructional Services:				
Salaries	260,022	190,331	(69,691)	278,250
Employee benefits	207,047	148,246	(58,801)	206,983
Purchased professional services and technical services	58,300	30,656	(27,644)	7,177
Purchased property services	32,845	19,496	(13,349)	23,125
Other purchased services	-	2,095	2,095	3,820
Supplies	53,631	70,475	16,844	132,398
Property	1,500	16,779	15,279	-
Other objects	3,000	-	(3,000)	4,449
	<u>616,345</u>	<u>478,078</u>	<u>(138,267)</u>	<u>656,202</u>
Total Support Services - Instructional Services	<u>616,345</u>	<u>478,078</u>	<u>(138,267)</u>	<u>656,202</u>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>EXPENDITURES (CONT'D):</b>				
Support Services - Administration:				
Salaries	620,526	675,699	55,173	645,365
Employee benefits	472,332	450,064	(22,268)	486,527
Purchased professional services and technical services	87,550	189,071	101,521	128,796
Other purchased services	59,674	14,380	(45,294)	85,434
Supplies	57,100	32,998	(24,102)	26,763
Other objects	<u>9,500</u>	<u>10,866</u>	<u>1,366</u>	<u>34,270</u>
Total Support Services - Administration	<u>1,306,682</u>	<u>1,373,078</u>	<u>66,396</u>	<u>1,407,155</u>
Support Services - Pupil Health:				
Salaries	169,917	203,528	33,611	202,929
Employee benefits	132,932	155,051	22,119	179,356
Purchased professional services and technical services	6,000	900	(5,100)	4,763
Supplies	15,915	6,105	(9,810)	3,354
Other objects	<u>-</u>	<u>59</u>	<u>59</u>	<u>376</u>
Total Support Services - Pupil Health	<u>324,764</u>	<u>365,643</u>	<u>40,879</u>	<u>390,778</u>
Support Services - Business:				
Salaries	128,543	122,175	(6,368)	221,015
Employee benefits	103,996	118,811	14,815	179,053
Purchased professional services and technical services	44,421	71,005	26,584	51,251
Other purchased services	4,000	1,101	(2,899)	1,288
Supplies	2,500	4,053	1,553	1,334
Property	2,000	-	(2,000)	-
Other objects	<u>2,500</u>	<u>4,325</u>	<u>1,825</u>	<u>4,753</u>
Total Support Services - Business	<u>287,960</u>	<u>321,470</u>	<u>33,510</u>	<u>458,694</u>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
EXPENDITURES (CONT'D):				
Support Services - Operation and Maintenance of Plant Services:				
Salaries	644,953	522,858	(122,095)	551,110
Employee benefits	457,065	412,097	(44,968)	474,093
Purchased professional services and technical services	55,200	33,914	(21,286)	54,007
Purchased property services	421,940	499,733	77,793	512,150
Other purchased services	130,079	170,984	40,905	207,721
Supplies	221,150	263,060	41,910	448,026
Property	20,500	18,588	(1,912)	3,642
Other objects	<u>1,500</u>	<u>1,490</u>	<u>(10)</u>	<u>679</u>
Total Support Services - Operation and Maintenance of Plant Services	<u>1,952,387</u>	<u>1,922,724</u>	<u>(29,663)</u>	<u>2,251,428</u>
Support Services - Student Transportation Services:				
Employee benefits	-	2,982	2,982	3,663
Other purchased services	<u>1,296,550</u>	<u>921,955</u>	<u>(374,595)</u>	<u>1,300,235</u>
Total Support Services - Student Transportation Services	<u>1,296,550</u>	<u>924,937</u>	<u>(371,613)</u>	<u>1,303,898</u>
Support Services - Central:				
Salaries	167,943	175,520	7,577	173,630
Employee benefits	121,402	116,234	(5,168)	119,065
Purchased professional services and technical services	3,000	-	(3,000)	-
Purchased property services	7,500	-	(7,500)	2,341
Other purchased services	34,971	2,681	(32,290)	2,879
Supplies	20,400	17,569	(2,831)	9,361
Other objects	<u>500</u>	<u>29</u>	<u>(471)</u>	<u>325</u>
Total Support Services - Central	<u>355,716</u>	<u>312,033</u>	<u>(43,683)</u>	<u>307,601</u>
Support Services - Other Other purchased services	<u>23,488</u>	<u>23,557</u>	<u>69</u>	<u>23,533</u>
Total Support Services	<u>7,004,810</u>	<u>6,505,107</u>	<u>(499,703)</u>	<u>7,501,537</u>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
<b>EXPENDITURES (CONT'D):</b>				
Operation of Noninstructional Services -				
Student Activities:				
Salaries	192,925	155,730	(37,195)	156,259
Employee benefits	79,413	67,532	(11,881)	65,956
Purchased professional services				
and technical services	35,200	40,331	5,131	75,108
Purchased property services	20,500	10,085	(10,415)	3,440
Other purchased services	97,345	64,218	(33,127)	48,135
Supplies	79,997	70,107	(9,890)	90,245
Property	55,876	334	(55,542)	9,342
Other objects	4,500	5,506	1,006	9,889
Total Operation of				
Noninstructional Services -				
Student Activities	<u>565,756</u>	<u>413,843</u>	<u>(151,913)</u>	<u>458,374</u>
Operation of Noninstructional Services -				
Community Services:				
Purchased professional services				
and technical services	2,900	4,550	1,650	-
Purchased property services	-	-	-	3,480
Other purchased services	-	310	310	515
Supplies	-	469	469	1,697
Total Operation of				
Noninstructional Services -				
Community Services	<u>2,900</u>	<u>5,329</u>	<u>2,429</u>	<u>5,692</u>
Facilities Acquisition, Construction and				
Improvements:				
Existing Building Improvements	<u>-</u>	<u>3,580</u>	<u>3,580</u>	<u>8,636</u>
Debt Service:				
Debt service principal	-	76,532	76,532	-
Debt service interest	-	7,544	7,544	-
Capital Outlay	<u>-</u>	<u>459,156</u>	<u>459,156</u>	<u>-</u>
Total Expenditures	<u>24,033,919</u>	<u>23,444,830</u>	<u>(589,089)</u>	<u>23,408,655</u>
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	<u>2,715,884</u>	<u>3,430,769</u>	<u>714,885</u>	<u>(2,715,884)</u>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SUPPLEMENTAL SCHEDULE OF REVENUE AND EXPENDITURES  
BUDGET AND ACTUAL - GENERAL FUND (CONT'D)  
YEAR ENDED JUNE 30, 2020**

---

	<u>Budget</u>	<u>2020 Actual</u>	<u>Variance from Final Budget</u>	<u>2019 Actual</u>
OTHER FINANCING SOURCES (USES):				
Other debt service and financing uses	(183,850)	(112,967)	70,883	231,558
Insurance recoveries	-	7,239	7,239	-
Special and extraordinary losses	-	(8,682)	(8,682)	-
Operating transfers-out	(2,474,064)	(2,516,101)	(42,037)	2,549,481
Sale of assets	-	175,000	175,000	-
Proceeds from leases	-	67,556	67,556	-
Budgetary reserve	<u>(57,970)</u>	<u>-</u>	<u>57,970</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>(2,715,884)</u>	 <u>(2,387,955)</u>	 <u>327,929</u>	 <u>2,715,884</u>
 CHANGE IN FUND BALANCE	 <u>\$ -</u>	 <u>\$ 1,042,814</u>	 <u>\$ 1,042,814</u>	 <u>\$ -</u>

See independent auditors' report.

**RIVERSIDE SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>GRANT PERIOD BEGINNING/ ENDING DATE</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>TOTAL RECEIPTS FOR THE YEAR</u>	<u>ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2019</u>	<u>REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENDITURES</u>	<u>ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2020</u>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>									
Pass-through grant programs from:									
Pennsylvania Department of Education:									
Food Distribution Cluster:									
National School Lunch Program	10.555	N.A.	7/1/19-6/30/20	\$ -	\$ 430,295	\$ 14,340	\$ 437,109	\$ 437,109	\$ 21,154
National School Breakfast Program	10.553	N.A.	7/1/19-6/30/20	-	192,493	4,263	201,527	201,527	13,297
Total Pennsylvania Department of Education				-	622,788	18,603	638,636	638,636	34,451
Pennsylvania Department of Agriculture									
National School Lunch Program - Commodities	10.555	N.A.	7/1/19-6/30/20	-	51,512	(4,263)	41,937	41,937	(13,858)
TOTAL U.S. DEPARTMENT OF AGRICULTURE				-	674,300	14,340	680,573	680,573	20,593
<b>U.S. DEPARTMENT OF EDUCATION:</b>									
Pass-through grant programs from:									
Pennsylvania Department of Education:									
ESEA, Title 1 Grant	84.010	013-190363	7/1/18 - 9/30/19	400,893	106,884	106,884	-	-	-
ESEA, Title 1 Grant	84.010	013-200363	7/1/19 - 9/30/20	394,973	289,637	-	394,973	394,973	105,336
Title II, Improving Teacher Quality	84.367	020-200363	7/1/19 - 6/30/20	70,179	46,547	4,206	70,179	70,179	27,838
Title IV, SSAE	84.424	144-200363	7/1/19 - 6/30/20	29,999	21,945	1,945	29,999	29,999	10,000
Total Pennsylvania Department of Education				896,044	465,013	113,035	495,151	495,151	143,174
<b>N.E.I.U. 19:</b>									
Individuals with Disabilities Act	84.027	N.A.	7/1/19-6/30/20	255,618	255,618	-	255,618	255,618	-
TOTAL U.S. DEPARTMENT OF EDUCATION:				1,151,662	720,631	113,035	750,769	750,769	143,174
TOTAL				\$ 1,151,662	\$ 1,394,931	\$ 127,375	\$ 1,431,342	\$ 1,431,342	\$ 163,767

N.A. - Not Available

The accompanying notes are an integral part of this schedule.

**RIVERSIDE SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

---

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the Federal award activity of the Riverside School District (the "District") under programs of the Federal government for the year ended June 30, 2020. 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 the District, it is not intended to and does not present the financial position or changes in financial position of the District.

**NOTE 2: REPORTING ENTITY**

The accompanying Schedule presents the expenditures of all the Federal award programs of the District. The District's reporting entity is defined in Note 1 to the District's basic financial statements. All Federal awards received directly from Federal agencies as well as Federal awards passed-through other government agencies are included in the schedule.

**NOTE 3: BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of Federal awards is presented on the accrual basis of accounting. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 4: INDIRECT COSTS**

The District has elected not to use the ten percent de minimis indirect cost rate. Indirect costs are allocated to programs based on applicable criteria relative to the Federal program.

**NOTE 5: NONMONETARY FEDERAL AWARDS - DONATED FOOD**

The Commonwealth of Pennsylvania distributes Federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards and Certain State Grants under CFDA #10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent Federal surplus food consumed by the District during the year ended June 30, 2020.



**INDEPENDENT AUDITORS' 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**

To the Board of Education of the  
Riverside School District:

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, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2021.

**Internal Control Over Financial Reporting**

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

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 District'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.

**CERTIFIED PUBLIC ACCOUNTANTS**

4 Meadow Ave, Ste C, Scranton, PA 18505 | 240 Schuyler Avenue, Kingston, PA 18704  
T: 570.941.2248 • F: 570.941.2236 | T: 570.288.7517 • F: 570.288.1699

[kohanskico.com](http://kohanskico.com)



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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Kohanski & Co., PC*

Scranton, PA  
March 29, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of the  
Riverside School District:

**Report on Compliance for Each Major Federal Program**

We have audited the Riverside School District's (the "District") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major Federal programs for the year ended June 30, 2020. The District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**CERTIFIED PUBLIC ACCOUNTANTS**

4 Meadow Ave, Ste C, Scranton, PA 18505 | 240 Schuyler Avenue, Kingston, PA 18704  
T: 570.941.2248 • F: 570.941.2236 | T: 570.288.7517 • F: 570.288.1699

[kohanskico.com](http://kohanskico.com)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

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

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

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

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

*Kohanski & Co., PC*

Scranton, PA  
March 29, 2021

RIVERSIDE SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements:

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

- Significant deficiency(ies) identified that is (are) not  
considered to be material weakness(es)?

\_\_\_\_\_ Yes        X   None  
reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

- Significant deficiency(ies) identified that is (are) not  
considered to be material weakness(es)?

\_\_\_\_\_ Yes        X   None  
reported

Type of auditors' report issued on  
compliance for major programs:

Unmodified

Any audit findings disclosed that are  
required to be reported in accordance  
with 2CFR Section 200.516(a) of Uniform Guidance?

\_\_\_\_\_ Yes        X   No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.553

National School Breakfast Program

10.555

National School Lunch Program

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

  X   Yes      \_\_\_\_\_ No

**RIVERSIDE SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
YEAR ENDED JUNE 30, 2020**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no findings for the year ended June 30, 2020.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED**

There were no findings for the year ended June 30, 2020.

**RIVERSIDE SCHOOL DISTRICT**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2020**

---

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no findings for the year ended June 30, 2019.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED**

There were no findings for the year ended June 30, 2019.