DAC Bond®

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: Moody's: "Baa1" (Underlying)
Moody's: "A3" (Post-Default Enhanced)
S&P: "AA" (Stable Outlook) (BAM Insured)
(See **"BOND INSURANCE"** and **"MISCELLANEOUS - Ratings"** herein)

In the opinion of Bond Counsel, assuming continuing compliance by the School District, with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable regulations thereunder, interest on the Bonds is not includible in the gross income under Section 103(a) of the Code and interest on the Bonds is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, except as set forth under the heading "Tax Exemption" in this Official Statement. Other provisions of the Code may affect the purchasers of the Bonds. See ***"TAX MATTERS - Federal Tax Laws"*** *herein for a brief description of these provisions.*

Under the laws of the Commonwealth of Pennsylvania, the Bonds and interest on the Bonds shall be free from taxation for State and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Under the laws of the Commonwealth of Pennsylvania, profits, gains or income derived from the sale, exchange or other disposition of the Bonds shall be subject to State and local taxation within the Commonwealth of Pennsylvania.

The School District has designated and determined under and for purposes of Section 265(b)(3)(B) of the Code to qualify each of the Bonds as a "qualified tax exempt obligation" as such phrase is defined in the Code.

$1,865,000

RIVERSIDE SCHOOL DISTRICT

Lackawanna County, Pennsylvania

General Obligation Bonds, Series of 2020

Dated: Date of Delivery
Due: October 15, as shown on the inside front cover
Denomination: Integral multiples of $5,000

Interest Payable: April 15 and October 15
First Interest Payment: October 15, 2020
Form: Book-Entry

Legal Investment for Fiduciaries in Pennsylvania: The Bonds are a legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, PL. 508 as amended and supplemented.

Payable: The General Obligation Bonds, Series of 2020, in the aggregate principal amount of $1,865,000 (the "Bonds") of the Riverside School District, located in Lackawanna County, Pennsylvania (the "School District"), will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made only in book-entry form, and purchasers will not receive certificates representing their interests in the Bonds. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal and interest on the Bonds will be made by the Paying Agent directly to DTC. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursements of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See "**BOOK-ENTRY ONLY SYSTEM**" herein.

Redemption: The Bonds are subject to redemption prior to maturity. See **"REDEMPTION OF BONDS"** herein.

Purpose: Proceeds of the Bonds will be used to provide funds for the following: (1) to currently refund a portion of the General Obligation Bonds, Series of 2014, (2) to currently refund a portion of the General Obligation Bonds, Series of 2016; and (3) pay related costs, including the costs of issuing and insuring the Bonds.

Security: The Bonds are payable from tax and other general revenues of the School District. The School District has, subject to statutory restrictions and limitations, covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from funds in the sinking fund established in the Resolution (as hereinafter defined) or from any other revenues or funds of the School District, and for such budgeting, appropriation and payment the School District irrevocably has, subject to statutory restrictions and limitations, pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property with the School District, within limitations provided by law (see "**SECURITY FOR THE BONDS", and APPENDIX A – "TAXING POWERS OF THE SCHOOL DISTRICT, PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS – Act 1 of Special Session 2006 ("Taxpayer Relief Act")** and **Status of the Bonds under the Taxpayer Relief Act",** herein.)

Bond Insurance: The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **Build America Mutual Assurance Company ("BAM").**

BAM

MATURITY SCHEDULE
(See Inside Front Cover)

Legal Approvals: The Bonds are offered when, as and if issued by the School District and accepted by the Underwriter, subject to prior sale or withdrawal or to modification of the offer without notice, and subject to receipt of the approving legal opinion of Haggerty Hinton & Cosgrove, LLP, Dunmore, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the School District by its counsel, Raymond C. Rinaldi II, Esquire, Scranton, Pennsylvania, and for the Underwriter by its limited scope underwriter's counsel, McNees Wallace & Nurick LLC, Lancaster, Pennsylvania. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, serves as Financial Advisor to the School District in connection with the Bonds. It is expected that the Bonds will be available for delivery, through the facilities of DTC, on or about September 15, 2020.

RBC Capital Markets

The date of this Official Statement is August 13, 2020.

$1,865,000
RIVERSIDE SCHOOL DISTRICT
Lackawanna County, Pennsylvania
General Obligation Bonds, Series of 2020

Dated: Date of Delivery
Due: October 15 as shown below
Denomination: Integral Multiples of $5,000

Interest Payable: April 15 and October 15
First Interest Payment: October 15, 2020
Form: Book-Entry

BOND MATURITY SCHEDULE

Year (October 15)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers(1)
2021	$ 5,000	1.000%	0.550%	100.485%	769250 KA8
2022	5,000	1.000	0.620	100.785	769250 KB6
2023	5,000	1.000	0.670	101.005	769250 KC4
2024	5,000	1.000	0.750	101.003	769250 KD2
2025	5,000	1.000	0.850	100.744	769250 KE0
2026	5,000	1.250	1.050	100.987	769250 KF7
2027	1,170,000	2.000	1.230	103.782	769250 KG5
2028	665,000	2.000	1.330	103.282	769250 KH3

(1) The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District and the School District is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. The School District has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

No dealer, broker, salesperson or other person has been authorized by Riverside School District, Lackawanna County, Pennsylvania (the "School District") or the Underwriter to give any information or make any representations with respect to the Bonds other than those contained in this Official Statement and if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds, by any person in any state or jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration or qualification of the Bonds pursuant to the applicable securities laws of any such state or jurisdiction. The information set forth herein has been obtained from the School District and other sources that are believed to be reliable, but the Underwriter does not guarantee the accuracy or completeness of such information and such information is not to be construed as a representation by the Underwriter. Any statements herein involving matters of opinion or forecasts of the occurrence of future events or circumstances, whether or not expressly so stated, are intended as such and not as representation of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the School District since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF REVELENCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICIES MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY THE MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

The School District deems this Official Statement to be final for the purposes of SEC Rule 15c2-12(b)(1).

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Appendix E - Specimen Municipal Bond Insurance Policy".

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RIVERSIDE SCHOOL DISTRICT
Lackawanna County, Pennsylvania

SCHOOL DISTRICT ADDRESS
300 Davis Street
Taylor, PA 18517-1941

Website: www.riversidesd.com

BOARD OF SCHOOL DIRECTORS

Carol Armstrong	President
Linda Joyce	Vice President
Barbara Fedor	Secretary
George Bieber	Treasurer
Caryn Emiliani	Member
Kevin Harchar	Member
Mary Antoniacci McHugh	Member
Tara Meredick	Member
Dan Nenish	Member

SCHOOL ADMINISTRATION

Paul M. Brennan	Superintendent
William Drazdowski	Business Manager

BOND COUNSEL
Haggerty Hinton & Cosgrove, LLP
Dunmore, Pennsylvania

SCHOOL DISTRICT SOLICITOR
Raymond C. Rinaldi, II, Esquire
Scranton, Pennsylvania

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Harrisburg, Pennsylvania

UNDERWRITER
RBC Capital Markets, LLC
Philadelphia, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL
McNees Wallace & Nurick LLC
Lancaster, Pennsylvania

PAYING AGENT
The Fidelity Deposit and Discount Bank
Dunmore, Pennsylvania

SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained in this Official Statement. No person is authorized to detach this **SUMMARY STATEMENT** from this Official Statement or otherwise use it without the entire Official Statement.

Issuer..	Riverside School District, a public school district located in Lackawanna County, Pennsylvania (the "School District").
The Bonds..	$1,865,000 aggregate principal amount, General Obligation Bonds, Series of 2020, dated the Date of Delivery, and will mature as shown in the **BOND MATURITY SCHEDULE** inside the cover page of this Official Statement. Interest on the Bonds will begin to accrue on the date of delivery, and is payable each April 15 and October 15 thereafter until the principal amount is paid, commencing October 15, 2020. (See "**THE BONDS**" herein.)
Redemption Provisions...	The Bonds are subject to mandatory and optional redemption prior to their stated dates of maturity, as more fully described herein. (See "**REDEMPTION OF BONDS**" herein.)
Form of Bonds..	NEW ISSUE - BOOK-ENTRY ONLY
Use of Proceeds	**Purpose:** Proceeds of the Bonds will be used to provide funds for the following: (1) to currently refund a portion of the General Obligation Bonds, Series of 2014, (2) to currently refund a portion of the General Obligation Bonds, Series of 2016; and (3) pay related costs, including the costs of issuing and insuring the Bonds. (See **"PURPOSE OF THE ISSUE," "SOURCES AND USES OF FUNDS," "APPENDIX A - STATEMENT OF LONG-TERM INDEBTEDNESS DIRECT DEBT (NON ELECTORAL & LEASE RENTAL), OVERLAPPING DEBT, DEBT RATIOS AND DEBT LIMITS"** herein.)
Security for the Bonds..	The Bonds are general obligations of the School District, for the payment of which the School District has irrevocably pledged its full faith, credit and all available taxing power, subject to the limitations in the Taxpayer Relief Act. (See **"SECURITY FOR THE BONDS" and APPENDIX A – "TAXING POWERS OF THE SCHOOL DISTRICT, PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS - Act 1 of Special Session 2006 ("Taxpayer Relief Act")"** and **Status of the Bonds under the Taxpayer Relief Act",** herein.)
Credit Enhancement...	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a bond insurance policy to be issued concurrently with the delivery of the Bonds by BAM (See **"BOND INSURANCE"** herein.)
Bond Rating	(See **"MISCELLANEOUS - Ratings"** herein.)
Continuing Disclosure Undertaking..........................	The School District has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the "Rule"). (See **"CONTINUING DISCLOSURE UNDERTAKING AND APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE"** herein.)

PRELIMINARY OFFICIAL STATEMENT

Relating To

$1,865,000

RIVERSIDE SCHOOL DISTRICT

Lackawanna County, Pennsylvania

General Obligation Bonds, Series of 2020

INTRODUCTION

This Official Statement is furnished by Riverside School District, a public school located in Lackawanna County, Pennsylvania (the "School District"), in connection with the offering of its General Obligation Bonds, Series of 2020, in the aggregate principal amount of $1,865,000 (the "Bonds").

The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District, adopted August 11, 2020 (the "Resolution"), and in accordance with the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth") , as amended (the "Debt Act").

The Bonds will be issued as fully registered bonds and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made only in book-entry form, and purchasers will not receive certificates representing their interests in the Bonds. So long as DTC, or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by The Fidelity Deposit and Discount Bank, Dunmore, Pennsylvania (the "Paying Agent") directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See "**THE BONDS**" and "**BOOK-ENTRY ONLY SYSTEM**" herein. The Bonds are subject to redemption as more fully described herein.

The information which follows contains summaries of the Resolution, the School District's Budget and the School District's Financial Statements. Such summaries do not purport to be complete and reference is made to the Resolution, the School District's Budget and the School District's Financial Statements, copies of which are on file and available for examination at the offices of the School District.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to provide funds for the following: (1) to currently refund a portion of the General Obligation Bonds, Series of 2014, (2) to currently refund a portion of the General Obligation Bonds, Series of 2016; and (3) pay related costs, including the costs of issuing and insuring the Bonds.

The proceeds from the sale of the Bonds shall be applied substantially in the following manner:

Sources of Funds:	**Total**
Par Amount of the Bonds	$1,865,000.00
Original Issue Premium	66,325.15
Total Sources of Funds	$1,931,325.15
Uses of Funds:	
2014 Escrow Deposit	$1,484,100.00
2016 Escrow Deposit	373,700.00
Costs of Issuance [1]	73,525.15
Total Use of Funds	$1,931,325.15

[1]Includes bond discount, legal, printing, rating, municipal bond insurance premium, CUSIP, paying agent fee and miscellaneous fees.

THE BONDS

Description

The aggregate principal amount of the Bonds is $1,865,000. The Bonds will be issued in fully registered form (without coupons) in denominations of $5,000 and integral multiples thereof. The Bonds will be dated as of the date of delivery, and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable initially on October 15, 2020 and semiannually on April 15 and October 15 of each year thereafter until the principal sum thereof is paid.

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See "**BOOK – ENTRY ONLY SYSTEM**" herein.

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC, and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid. If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal, redemption premium, if any, and interest on the Bonds shall be made as described in the following paragraphs:

The principal of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to The Fidelity Deposit and Discount Bank (the "Paying Agent"), acting as paying agent and sinking fund depository for the Bonds, at its designated corporate trust office (or to any successor paying agent at its designated office).

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding October 15, 2020, in which event such Bond shall bear interest from the date of delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest shall be paid initially on October 15, 2020, and thereafter, semiannually on April 15 and October 15 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the last calendar day (whether or not a day on which the Paying Agent is open for business) of the month immediately preceding each interest payment date (the "Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than ten (10) days preceding such special record date.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

Transfer, Exchange and Registration of Bonds

*Subject to the provisions described below under "**BOOK-ENTRY ONLY SYSTEM**,"* certificated Bonds are transferable or exchangeable upon surrender of such Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of certificated Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series, maturity date and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of such Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity date and interest rate.

Neither the School District, nor the Sinking Fund Depository, shall be required to: (a) issue, or register the transfer or exchange of, any Bond during a period of fifteen (15) business days before any date of selection of Bonds to be redeemed; or (b) register the transfer or exchange of any Bond after it has been selected for redemption.

SECURITY FOR THE BONDS

General Obligation Pledge

The Bonds are general obligations of the School District and are payable from its local taxes, state subsidies and other general revenues. The School District has covenanted in the Resolution that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and all available taxing power, which taxing power presently includes ad valorem taxes on all taxable property within the School District, within the limits provided by law. (See, **"TAXING POWERS OF THE SCHOOL DISTRICT"** and **"PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS"** in **APPENDIX A** herein). The Debt Act presently provides for enforcement of debt service payments as hereinafter described (see "**SECURITY FOR THE BONDS** – A**ctions in the Event of Default on the Bonds"** herein), and the Public School Code of 1949, as amended (the **"Public School Code"**) presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see "**SECURITY FOR THE BONDS - Commonwealth Enforcement of Debt Service Payments"** and **"Pennsylvania Budget Adoption"** herein).

Sinking Fund

A sinking fund for the payment of debt service on the Bonds, designated "Sinking Fund, General Obligation Bonds, Series of 2020" (the "Sinking Fund"), has been created in accordance with the Resolution and will be maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and principal then due on the Bonds. The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent as authorized by the Debt Act and upon direction of the School District. Such deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits, together with the interest thereon, shall be a part of the Sinking Fund. The Paying Agent, as sinking fund depository, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

Commonwealth Enforcement of Debt Service Payments

Section 633 of the Pennsylvania Public School Code of 1949, as amended (the "Public School Code"), presently provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the Bonds were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depositary for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation. The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers' salaries.

In addition, enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors' rights generally. But see "**Pennsylvania Budget Adoption**" herein.

Actions in the Event of Default on the Bonds

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to certain remedies provided by the Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the School District is located. The Debt Act provides any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Debt Act also provides that upon a default of at least 30 days, holders of at least 25% of the Bonds may appoint a trustee to represent them. The Debt Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

Pennsylvania Budget Adoption

Over the past several years the Commonwealth of Pennsylvania (the “Commonwealth”) has, from time to time, started its fiscal year without a fully adopted state budget. For example, in the Commonwealth’s 2015-16 fiscal year which commenced on July 1, 2015, a final budget was not enacted until March 27, 2016, 270 days following the beginning of the fiscal year, when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on March 17, 2016. This delay forced many school districts to review their cash flow position and issue tax anticipation notes to cover operating costs (see “**History of Tax Anticipation Note Financings**” herein). In the 2016-17 fiscal year, the state budget became law, known as Act 16A of 2016, on July 12, 2016 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on July 1, 2016. On July 13, 2016, the General Assembly adopted and the Governor signed into law an additional tax and revenue package, known as Act 85 of 2016 that was needed to balance the 2016-17 state budget. For the current 2017-18 fiscal year, the state budget became law, known as Act 1A of 2017, on July 11, 2017 when the Governor failed to sign or veto the state budget that was adopted by the General Assembly on June 30, 2017. Act 1A of 2017 did not have any accompanying legislation regarding the potential revenue that would be needed to fund the balance of the 2017-18 Budget at the time of enactment. On October 25, 2017, the General Assembly adopted House Bill 542 which contained the necessary revenue to fund the balance of the previously adopted Act 1A of 2017. On October 30, 2017 the Governor approved and signed House Bill 542 and it became known as Act 43 of 2017.

During a state budget impasse, school districts in the Commonwealth cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. **Recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the Public School Code during any future budget impasses. See “Act 85 of 2016” below.**

Act 85 of 2016

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016"), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article XVII-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by PDE from a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of "intercept statutes" Sections 633 of the Public School Code. The School District's general obligation debt, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts as may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

1. annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;

2. the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and

3. the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 of Act 85 of 2016 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $459.6 million, $126.1 million and $333.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the School District which is recovered by the School District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "**MISCELLANEOUS - Ratings**" herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the School District or Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the School District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "Bond Insurance" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

BOOK-ENTRY ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The School District (herein referred to as the "Issuer") and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the School District or the Underwriter.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Bond, in the aggregate principal amount of such issue, and will be deposited with DTC. DTC the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities: DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption proceeds and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

The Issuer and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

REDEMPTION OF BONDS

Optional Redemption

The Bonds stated to mature on or after October 15, 2026, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, or from time to time, in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), on October 15, 2025 or on any date thereafter, in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

Notice of Redemption

When required or directed to redeem Bonds, the Paying Agent shall cause notice of the redemption to be given by first-class mail, postage pre-paid, to all registered holders of Bonds to be redeemed at their registered addresses no less than 30, nor more than 60 days prior to the redemption date. Any such notice shall be given in the name of the School District, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price and shall state that on the redemption date the Bonds called for redemption will be payable at a designated office of the Paying Agent or its designee and that from that date interest will cease to accrue on the Bonds or portions thereof to be redeemed. Failure to mail any notice or any defect in the mailed notice or in the mailing thereof shall not affect the validity of the proceedings for the redemption of Bonds with respect to which no such failure or defect occurred. The Paying Agent may use CUSIP numbers in notices of redemption as a convenience to holders of the Bonds, provided that such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the serial numbers of the Bonds.

Manner of Redemption

Portions of any Bond of a denomination larger than $5,000 may be redeemed, but only in the principal amount of $5,000 or any integral multiple thereof. For the purpose of redemption, each Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by $5,000, each $5,000 portion of such Bond being subject to redemption. Upon surrender of any Bond for redemption of a portion only, the Paying Agent shall authenticate and deliver to the owner thereof a new Bond or Bonds of the same series, maturity date and interest rate, in authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

TAX MATTERS

Federal Tax Laws

Numerous provisions of the Internal Revenue Code of 1986, as amended (the “Code”), affect the issuers of state and local government unit bonds or notes, such as the School District, and impair or restrict the ability of the School District to finance projects on a tax exempt basis. Failure on the part of the School District to comply with any one or more of such provisions of the Code, or any regulations under the Code, could render interest on the Bonds includable in the gross income of the owners thereof for purposes of federal income tax retroactively to the date of issuance of the Bonds. Among these provisions are more restrictive rules relating to: (a) investment of funds treated as proceeds of the Bonds; (b) the advance refunding of tax-exempt bonds or notes; and (c) the use of proceeds of the Bonds to benefit private activities. In addition, under the Code, the School District is required to file an information return with respect to the Bonds and, if applicable, to “rebate” to the federal government certain arbitrage profits on an ongoing basis throughout the term of the issue constituting the Bonds. Bond Counsel has not undertaken to determine (or to inform any person) whether any action taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

Other provisions of the Code affect the purchasers and holders of certain state and local government bonds or notes such as the Bonds. Prospective purchasers of the Bonds should be aware that: (i) Section 265 of the Code denies a deduction for interest on (a) indebtedness incurred or continued to purchase or carry certain state or local government bonds or notes, such as the Bonds, or, (b) in the case of a financial institution, that portion of a financial institution's interest expense allocated to interest on certain state or local government bonds or notes, such as the Bonds, unless the issuer of the state or local government bonds/notes designates the bonds/notes as "qualified tax-exempt obligations" for the purpose and effect contemplated by Section 265(b)(3)(B) of the Code (the School District has designated the Bonds as "qualified tax exempt obligations" under Section 265(b)(3)(B) of the Code, as such phrase is defined in the Code); (ii) certain corporations must take into account interest on certain state and local government bonds or notes, such as the Bonds, in determining adjusted earnings for the purpose of computing the alternative minimum tax imposed on such corporations; (iii) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(1) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest and amounts treated as such on certain state or local government bonds or notes such as the Bonds; (iv) interest on certain state or local government bonds or notes, such as the Bonds, earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code; (v) if a Subchapter S corporation has passive investment income (which passive investment income will include interest on state and local government bonds or notes such as the Bonds) exceeding 25% of such Subchapter S corporation's gross receipts and if such Subchapter S corporation has Subchapter "C" earnings and profits, then interest income derived from state and local government bonds or notes, such as the Bonds, may be subject to federal income tax under Section 1375 of the Code; and (vi) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income receipts or accruals of interest on certain state or local government bonds or notes such as the Bonds.

Proposals to alter or eliminate the exclusion of interest on tax-exempt bonds or notes from gross income for some or all taxpayers have been made in the past and may be made again in the future. Future legislation, if enacted into law, or clarification of the Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Code may also affect the market price for, or marketability of, the Bonds. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISERS REGARDING ANY PROPOSED FEDERAL TAX LEGISLATION, AS TO WHICH BOND COUNSEL EXPRESSES NO OPINION.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service or the courts.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds.

Tax Exemption

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain certifications and agreements relating to the use of Bond proceeds and covenants to comply with provisions of the Code and any applicable regulations thereunder, now or hereafter enacted, interest on the Bonds is not includable in the gross income of the holders of the Bonds under Section 103(a) of the Code and interest on the Bonds is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes except as described above under the caption "Federal Tax Laws." The tax exemption described above does not extend to corporations required to include interest on the Bonds in the calculation of alternative minimum taxable income within the meaning provided in Section 56 of the Code. Other provisions of the Code will affect certain purchasers and holders of the Bonds. See "Federal Tax Laws" above.

The School District **has** designated and determined under and for purposes of Section 265(b)(3)(B) of the Code to qualify each of the Bonds as a "qualified tax-exempt obligation" as such phrase is defined in the Code.

In the opinion of Bond Counsel, under the laws of the Commonwealth, the Bonds and interest on the Bonds shall at all times be free from taxation for State and local purposes within the Commonwealth, but this exemption shall not extend to gift, estate, succession or inheritance taxes or any other taxes not levied directly on the Bonds or the interest thereon. Under the laws of the Commonwealth, profits, gains or income derived from the sale, exchange or other disposition of the Bonds are subject to State and local taxation within the Commonwealth of Pennsylvania.

The School District will issue its certificate regarding the facts, estimates and circumstances in existence on the date of delivery of the Bonds and regarding the anticipated use of the proceeds of the Bonds. The School District will certify that, on the basis of the facts, estimates and circumstances in existence on the date of issuance of the Bonds, the School District does not reasonably expect to use the proceeds of the Bonds in a manner that would cause the Bonds to be or become "arbitrage bonds" or "private activity bonds" as those terms are defined in Section 148 and Section 141 of the Code.

THE ABOVE SUMMARY OF POSSIBLE TAX CONSEQUENCES IS NOT EXHAUSTIVE. ALL PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POSSIBLE FEDERAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS. ANY STATEMENTS REGARDING TAX MATTERS HEREIN CANNOT BE RELIED UPON BY ANY PERSON TO AVIOD TAX PENALTIES.

Regulations, Future Legislation

Under the provisions of the Code, the Treasury Department is authorized and empowered to promulgate regulations implementing the intent of Congress under the Code, which could affect the tax-exemption and/or tax consequences of holding tax-exempt obligations, such as the Bonds. In addition, legislation may be introduced and enacted in the future which could change the provisions of the Code relating to tax-exempt bonds or notes of a state or local government unit, such as the School District, or the taxability of interest in general.

No representation is made or can be made by the School District, or any other party associated with the issuance of the Bonds as to whether or not any other legislation now or hereafter introduced and enacted will be applied retroactively so as to subject interest on the Bonds to federal income taxes or so as to otherwise affect the marketability or market value of the Bonds.

EACH PURCHASER OF THE BONDS SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL TAX LEGISLATION.

Bond Premium

"Acquisition Premium" is the excess of the holder's adjusted tax basis on the bond or note over the stated redemption price of such bond or note at maturity or, for tax-exempt bonds or notes that have one or more earlier call dates, over the amount payable as of the date that minimizes the holder's yield on the bond or note. The Bonds (the "Premium Bonds"), are being initially offered and sold to the public at an Acquisition Premium. For federal income tax purposes, the Acquisition Premium on each Premium Bond the interest on which is excludable from gross income for federal income tax purposes (the "tax-exempt bonds") must be amortized on a constant yield method over the term of the Bond to the maturity date or earlier call date, if any, whichever period minimizes the holder's yield on the Premium Bond. In addition, the holder's basis in the Premium Bond must be reduced by the amount of the accrued Acquisition Premium. Acquisition Premium accrued on tax-exempt bonds is not deductible for federal income tax purposes.

HOLDERS OF DISCOUNT OR PREMIUM BONDS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE ACTUAL TAX EFFECTS TO THE HOLDER OF THE ACQUISITION, RETENTION AND DISPOSITION OF SUCH BONDS BASED UPON THE HOLDER'S TAX STATUS AND CIRCUMSTANCES FOR FEDERAL, STATE AND LOCAL TAX PURPOSES.

CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the School District has agreed to provide certain continuing disclosure for the benefit of the holders of the Bonds. The form of Continuing Disclosure Certificate (the "Agreement") is attached hereto as Appendix D.

Under the terms of the Agreement, the School District will undertake to file with the Municipal Securities Rulemaking Board ("MSRB") financial and other information concerning the School District (annual audited financial statements, annual budget summary, certain operating information and notice of certain events affecting the School District), all as set forth in Appendix D. The School District's obligations with respect to continuing disclosure shall terminate upon the prior redemption or payment in full of all of the Bonds.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other "obligated persons" with respect to municipal securities issues) are made available through the MSRB's Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at http://www.emma.msrb.org.

The School District may modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary as a result of a change in legal requirements or change in the nature of the School District; provided that any such modification will be done in a manner consistent with the Rule and will not, in the opinion of the School District (which may rely on an opinion of counsel) substantially impair the interest of the holders of the Bonds. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit for the holders of the Bonds. Breach of the undertaking will not be a default under the Resolution.

The School District reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when such School District no longer remains an "obligated person" with respect to the Bonds within the meaning of the Rule. The School District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of such Bonds; provided that the Bondholders' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the School District's obligations hereunder and any failure by the School District to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

Under the School District's existing annual disclosure requirements under the Rule (collectively, the "Prior Undertakings"), the School District agreed to provide updates to its audited financial statements, budgets and certain other financial and operating information.

The School District failed to file in a timely manner its audited financial statements and operating data for fiscal year ending June 30, 2015. While this information was filed, it was not timely filed. The School District has filed separate notices with EMMA setting forth the School District's failure to timely file its audited financial statements and certain of its financial and operating information. These notices were each filed later than required pursuant to the Prior Undertakings.

Further, the School District failed to file in a timely manner notices of rating changes of the School District's enhanced ratings by Moody's Investors Service in September 10, 2015 (downgrade), December 22, 2015 (downgrade); and August 15, 2016 (upgrade) to the Pennsylvania Act 150 School District Intercept Program. These notices were each filed later than required pursuant to the Prior Undertakings. These rating changes were widely disseminated at the time of each action and part of public information readily available from other sources.

The School District has procedures in place to ensure ongoing timely filings of its continuing disclosure requirements. The School District hired Digital Assurance Certification, LLC ("DAC") as its dissemination agent in August of 2016.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the Commonwealth of Pennsylvania. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Pennsylvania Governor Tom Wolf ordered all non-life-sustaining businesses in Pennsylvania to close their physical locations as of 8:00 p.m. March 19, 2020 to slow the spread of COVID-19. On March 23, 2020, the Pennsylvania Department of Education (PDE) announced that all schools in the Commonwealth would be required to remain closed through at least April 6 as a result of the COVID-19 response efforts. On APRIL 9, 2020, the closure order was extended by the Governor through the remainder of the 2019-20 academic year. The closure order has since been extended indefinitely in an effort to stop the spread of COVID-19. On April 1, 2020, the Governor issued a Stay at Home order effective for all Pennsylvania counties. As of June 5, 2020, a portion of the Governor's work, congregate setting and social restrictions remain in place in the County.

On March 27, 2020, Act No. 13 of 2020 was signed into law by the Governor to amend the School Code concerning the Pandemic. Act No. 13 permits the Pennsylvania Secretary of Education to further order the closure of all school entities until the threat to health and safety caused by the Pandemic has ended. Act No. 13 also waives the requirement that school entities be open for at least 180 days of instruction and provides for, inter alia, compensation of school entity employees, school subsidies and reimbursements from the Commonwealth as a result of actions taken by the Secretary of Education pursuant to Act No. 13, and continued payments to charter schools, intermediate units, career and technical centers, and approved private schools and residential rehabilitative institutions where public schools have placed students.

Act No. 13 requires each school entity to make a good faith effort to develop a plan to offer continuity of education using alternative means during the closure period. To assist schools during the extended closure, the Commonwealth's 29 intermediate units will provide technical assistance to help develop continuity of education plans for all students. The School District is currently employing remote instructional resources for its students and working with its teachers to improve its remote instructional techniques to maximize the educational experience for all of its students.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. To secure the payment of the principal of and interest on the Notes, the School District has pledged its full faith, credit and all available taxing power, which taxing power presently includes the power to levy ad valorem taxes on all taxable real property within the School District, within the limits provided by law as to rate or amount for such purpose. A reduction in property values may require an increase in the ad valorem tax rate required to pay the Notes as well as the School District's share of operations and maintenance expenses payable from ad valorem taxes. See "LEGISLATION AFFECTING LOCAL TAXING POWERS OF SCHOOL DISTRICTS - ACT 1 OF SPECIAL SESSION 2006 (TAXPAYER RELIEF ACT)" herein for a discussion of the limitations on the School District's ability to increase the *ad valorem* tax rate.

Despite any taxing initiatives taken by the School District, however, there is also a risk that some taxpayers within the School District will not be able to timely pay such taxes due to employment disruption across the country. On April 28, 2020, the Pennsylvania Association of School Business Officials released a study which predicted that the reduction in total local revenue to Pennsylvania School Districts could be more than $1.04 billion for 2020-21 if the economic recovery from the COVID-19 crisis lags. Currently, school districts collect about $18 billion in total local revenue so the projected decline represents a loss of 4-5% in total local revenue. Moreover, it is currently unknown at this time what, if any, measures that the Commonwealth may take that could complicate the School District's ability to either levy new taxes or collect any taxes that would otherwise be due and owing if current tax deadlines are extended.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the School District cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to School District. The School District cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in Commonwealth funding or an increase in operational costs incurred to implement strategies to clean, sanitize and maintain its facility either before or after an outbreak of an infectious disease. At this time, it is also unclear whether the School District will receive any federal relief funding under the recently passed CARES Act, or, even if eligible, how much funding would be available to the School District.

The financial and operating data contained herein are the latest available, but are as of the dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they may not be indicative of the current financial condition or future prospects of the School District.

The School District continues to monitor the spread of COVID-19 and is working with federal, state, and local agencies to address the potential impact of the Pandemic upon the School District and its employees. While the potential impact of the Pandemic on the School District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the School District's operations and financial condition, and the effect could be material.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on Commonwealth websites, including but not limited to the Governor's office (http://www.pa.gov/), the Pennsylvania Department of Health (http://www.health.pa.gov/). The School District has not incorporated by reference the information on such websites and the School District does not assume any responsibility for the accuracy of the information on such websites.

MISCELLANEOUS

No Litigation

There is no litigation of any nature pending against the School District as of the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or the security therefore, or any proceedings of the School District taken with respect to the issuance or sale thereof. At the time of delivery of the Bonds, the School District will furnish a certificate to the effect that no such litigation is then pending.

Legal Opinion

Certain legal matters incident to the authorization, issuance and sale of the Bonds will be passed upon by Haggerty Hinton & Cosgrove, LLP, Dunmore, Pennsylvania, Bond Counsel, whose approving opinion will be printed on or attached to each of the Bonds. Certain legal matters will be passed upon for the School District by Raymond C. Rinaldi II, Esquire, Scranton, Pennsylvania, Solicitor to the School District and by McNees Wallace & Nurick LLC, Lancaster, Pennsylvania, Limited Scope Underwriter's Counsel.

Bond Counsel states in its opinion issued with respect to the Bonds that (i) they have not been engaged to verify, nor have they independently verified, the accuracy, completeness or truthfulness of any statements, certifications, information or financial statements set forth in the Official Statement, dated August 6, 2020 (the "Official Statement"), or the Official Statement, dated August 13, 2020 (the "Official Statement"), or otherwise used in connection with the offer and sale of the Bonds or set forth in or delivered by School District officials, and (ii) they express no opinion with respect to whether the School District, in connection with the sale of the Bonds or the preparation of the Official Statement or the Official Statement, have made any untrue statement of a material fact necessary in order to make any statement made therein not misleading.

Ratings

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its municipal bond rating of "AA" ("stable outlook) to the Bonds, based upon the issuance by "BAM" of its municipal bond insurance policy at the time of the delivery of the Bonds. Moody's Investors Service has assigned an underlying municipal bond rating of "Baa1" to this issue of Bonds and its enhanced rating of "A3" based upon the additional security provided by the Commonwealth of Pennsylvania's Act 150 School District Intercept Program. Such ratings reflect only the view of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P, 55 Water Street, 38th Floor, New York, New York 10041 and Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007.

Also, Act 85 of 2016 further reinforces and strengthens the Pennsylvania school district intercept mechanism for Commonwealth aid to be available for debt service intercepts during a Commonwealth budget impasse (see **"Act 85 of 2016"** herein).

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. See "**BOND INSURANCE**" herein.

Underwriting

The underwriter of the Bonds is RBC Capital Markets, LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds from the School District, subject to certain conditions precedent, at an aggregate price of $1,916,405.15 (representing the principal amount of $1,865,000.00, less an underwriter's discount of $14,920.00, plus an original issue premium of $66,325.15). The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the inside cover page hereof. After the Bonds are released, the public offering prices and other selling terms may be changed from time to time by the Underwriter.

The Underwriter has provided the following information for inclusion in this Official Statement: The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

Financial Advisor

The School District has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as its financial advisor (the "Financial Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Paying Agent

The principal of the Bonds will be payable upon presentation of the Bonds at the designated corporate trust office of The Fidelity Deposit and Discount Bank, and having a corporate trust office located in Dunmore, Pennsylvania. Interest on the Bonds will be paid by check mailed by the Paying Agent to the registered owners of the Bonds.

Other

The execution and delivery of this Official Statement has been duly authorized by the School District. Certain information contained in this Official Statement has been obtained from sources other than the School District. All of the summaries and references of the provisions of the Bonds contained in this Official Statement and all other summaries and references to the Act and to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof, and do not constitute complete statements.

This Official Statement is not to be construed as a contract or agreement between the School District and the Underwriters or the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District since the date hereof. The information contained in the Official Statement that has been obtained from sources other than the School District is not guaranteed as to accuracy or completeness.

RIVERSIDE SCHOOL DISTRICT
Lackawanna County, Pennsylvania

By: Carol Armstrong
President of the Board of School Directors

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APPENDIX A

The School District and Summaries of its Financial Factors

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THE SCHOOL DISTRICT

Introduction

The School District is a third-class school district located in Lackawanna County in Northeastern Pennsylvania. It was organized on May 6, 1966, pursuant to the School Reorganization Act 561 of the General Assembly of the Commonwealth of Pennsylvania. It is comprised of the Boroughs of Moosic and Taylor (the "Municipalities"). Both towns are predominantly residential areas bordering the southern boundary of the City of Scranton, the county seat.

The School District is governed by a board of nine School Directors who are citizens of the School District and who are elected to serve four-year terms on a staggered basis. The daily operations and management of the School District are performed by a central administrative staff which is led by the Superintendent and the Business Manager who are appointed by the Board of School Directors.

School Facilities and Current Enrollment

The school plant presently operated by the School District consists of two elementary schools (grades K-6 and K-4) and one secondary center (grades 7-12).

	Original Construction Date	Addition/ Renovation Date	Grades	Rated Pupil Capacity	2019-20 Enrollment
Elementary					
Riverside Elementary East	1968	2004	K-6	624	496
Riverside Elementary West	1991	2002	K-4	435	341
Secondary					
Riverside Junior/Senior High	1973	2004	7-12	1,295	683
Totals				2,354	1,520

Source: School District Officials

Historical Enrollment Trends (Actual and Projected)

Actual Enrollment			
School Year Ending June 30,	K-6	7-12	Total
2016	845	684	1,529
2017	840	675	1,515
2018	837	683	1,520
2019	844	687	1,531
2020	845	690	1,535

Projected Enrollment(1)			
School Year Ending June 30,	K-6	7-12	Total
2021	850	710	1,560

(1)Excludes students in full-time out-of-district special education, comprehensive AVTS's, charter schools, state-owned schools, consortium-operated alternative high schools, and juvenile correctional institutions.

Source: School District Officials (Actual) and Pennsylvania Department of Education (Projected)

FINANCIAL REVIEW

This Appendix A is a summary only and is not intended to be a complete report. For more complete information, the individual financial statements and the budget of the School District should be reviewed at the Business Office, Riverside School District, 300 Davis Street, Taylor, Pennsylvania 18517.

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education ("PDE"). An annual operating budget is prepared by the Superintendent and Business Manager and submitted to the School Board for approval prior to the beginning of each fiscal year on July 1.

The School District keeps its books and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll taxes and pension fund contributions payable, delinquent taxes receivable, loans receivable from other funds, and revenues receivable from other governmental units. Its financial statements are audited annually by a firm of independent certified public accountants, as required by State law.

The firm of Murphy, Dougherty & Company, Certified Public Accountants of Scranton, Pennsylvania currently serves as the School District's independent auditor (the "Auditor"). The Auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedure relating to this Official Statement.

Budgeting Process in School Districts under the Taxpayer Relief Act

In General. School districts budget and expend funds according to procedures mandated by PDE. An annual operating budget is prepared by school district administrative officials on a uniform form furnished by such Department and submitted to the board of school directors for approval prior to the beginning of the fiscal year on July 1.

Procedures for Adoption of the Annual Budget. Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended, the ("Taxpayer Relief Act"), all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to PDE no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (see **"Pennsylvania Act No. 1 of the Special Session of 2006 ("Taxpayer Relief Act")"** herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one of the referendum exceptions authorized under The Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see **"Pennsylvania Act No. 1 of the Special Session of 2006 ("Taxpayer Relief Act")** herein), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district's request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district's request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

To use any of the referendum exceptions for which court approval is required under the Taxpayer Relief Act, the school district must petition the court of common pleas no later than 75 days prior to the upcoming election, after giving one week's public notice of the intent to file such petition. The court may schedule a hearing on the petition, and the school district must prove by clear and convincing evidence that it qualifies for the exception sought. The Taxpayer Relief Act requires that the court rule on the petition and inform the school district of its decision no later than 55 days prior to the upcoming election. Such Act provides that the court in approving the petition shall determine the dollar amount for which the exception is granted, the tax rate increase required to fund the exception and the appropriate duration of the tax increase. If the court denies the school district's petition, such Act permits the school district to submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

General Fund Comparative Summary of Balance Sheet

	ACTUAL (Fiscal Year Ending June 30,)				
	2016	**2017**	**2018**	**2019**	**2020***
Assets:					
Cash and Cash Equivalents	$1,824,511	$1,208,965	$2,049,810	$1,824,511	$1,208,965
Taxes Receivable (Net)	0	0	0	0	0
Interfund Receivables	171,435	171,435	171,438	171,435	171,435
Intergovernmental Receivables	1,871,653	2,776,285	1,547,514	1,871,653	2,776,285
Other Receivables	454,994	449,268	326,004	454,994	449,268
Prepaid Expenses	59,584	70,847	116,837	59,584	70,847
TOTAL ASSETS	$4,382,177	$4,676,800	$4,211,603	$4,382,177	$4,676,800
Liabilities:					
Interfund Payable	$ 0	$ 360,000	$ 6,638	$ 0	$ 360,000
Accounts Payable	721,936	964,102	770,260	721,936	964,102
Accrued Salaries & Benefits	3,414,606	3,022,399	2,771,860	3,414,606	3,022,399
Payroll Deductions & Withholdings	126,719	124,670	86,766	126,719	124,670
Accumulated Compensated Absences	0	0	0	0	0
Other Current Liabilities	0	0	8,441	0	0
Unearned Revenues	13,374	21,566	13,374	13,374	21,566
TOTAL LIABILITIES	$4,276,635	$4,492,737	$3,657,339	$4,276,635	$4,492,737
Fund Equity:					
Non-spendable/Prepaid Expenses	$59,584	$70,847	$116,837	$59,584	$70,847
Committed for Future Debt Service	0	0	0	0	0
Unassigned	45,958	113,216	437,427	45,958	113,216
TOTAL FUND EQUITY	$105,542	$184,063	$554,264	$105,542	$184,063
TOTAL LIABILITIES & FUND EQUITY	$4,382,177	$4,676,800	$4,211,603	$4,382,177	$4,676,800

*Unaudited

Source: School District Audits

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General Fund Comparative Summary of Revenue and Expenditure Sources & Beginning and Ending Fund Balances

	ACTUAL (Fiscal Year Ending June 30,)					Budgeted
	2016	**2017**	**2018**	**2019**	**2020***	**2021**
Revenue						
Local Sources	$14,251,405	$14,437,569	$15,489,256	$15,966,993	$16,111,651	$15,745,276
State Sources	8,704,749	9,201,780	9,298,890	9,298,341	10,137,488	9,862,189
Federal Sources	563,172	545,243	510,244	499,934	500,663	615,953
Total Revenue	$23,519,326	$24,184,592	$25,431,390	$25,765,268	26,749,802	26,223,418
Other Financing Sources						
Interfund Transfers	$0	$0	$0	$0	0	0
Proceeds Extended Term Financing	0	0	0	0	0	0
Refund of Prior Years Expenditures	0	0	0	(47,205)	0	0
Incoming Transfers	0	0	0	0	0	0
Outgoing Transfers	0	0	0	(2,549,481)	0	0
Total Other Financing Sources	$0	$0	$0	$(2,596,686)	0	0
TOTAL REVENUE & OTHER FINANCING SOURCES	$23,519,326	$24,184,592	$25,431,390	$23,168,582	26,749,802	26,223,418
Expenditures						
Instruction	$14,587,496	$14,734,480	$15,735,492	$15,434,416	16,460,454	17,538,813
Support Services	6,111,231	6,438,405	7,271,891	7,501,537	7,004,809	6,828,394
Non-Instructional Services	532,457	493,052	442,636	464,066	568,656	529,830
Facilities Acquisition, Construction & Improvement Services	0	0	0	0		0
Total Expenditures	$21,231,184	$21,665,937	$23,450,019	$23,400,019	24,897,037	24,897,037
Other Financing Uses						
Debt Service	$271,032	$221,401	$181,557	$221,401	183,850	84,500
Fund Transfers	2,465,742	2,218,733	1,265,689	2,218,733	2,474,064	610,950
Budgetary Reserve	0	0	0	0	57,970	630,931
Total Other Financing Uses	$2,736,774	$2,440,134	$1,447,913	$2,440,134	2,715,884	1,326,381
TOTAL EXPENDITURES & OTHER FINANCING USES	$23,967,958	$24,106,071	$24,897,265	$24,106,071	26,749,802	26,223,418
NET REVENUE (DEFICIT)	($448,632)	$78,521	$534,125	$78,521	0	0
Beginning Fund Balance, July 1	$554,264	$105,542	$184,063	$718,188	$796,709	$796,709
Prior Period Adjustment	(90)	0	0	0	0	0
Ending Fund Balance, June 30	$105,542	$184,063	$718,188	$796,709	$796,709	$796,709

*Unaudited

Source: School District Audits and Budget

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TAXING POWERS OF THE SCHOOL DISTRICT

Subject to certain limitations imposed by the Taxpayer Relief Act the School District, as a school district of the third class, is empowered by the Public School Code to levy the following taxes:

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.

2. An ad valorem tax on the property taxable for school purposes to provide funds:

   a. for minimum salaries and increments of the teaching and supervisory staff;

   b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;

   c. to pay interest and principal on any indebtedness incurred pursuant to the Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and

   d. to pay for the amortization of a bond which financed the construction of a school building prior to the first Monday of July, 1959.

3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than $5.00.

The School District may also levy additional taxes, subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended (the "Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, wage and other earned income taxes, real estate transfer taxes, gross receipts taxes, and occupation taxes, may not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the school district (as certified by the State Tax Equalization Board of the Commonwealth – "STEB") multiplied by twelve mills. A recent amendment to the Local Tax Enabling Act authorized all taxing authorities to increase at their individual discretion, the exemption level for per capita, occupational, earned income and similar taxes from $5,000 to $10,000.

The Local Tax Enabling Act was amended by Act 222 of 2004 to authorize all taxing authorities to exempt from per capita, occupation, emergency and municipal service or earned income taxes any person whose total income from all source is less than $12,000 per year.

The taxing powers of the School District described above may be modified by the provisions of the Taxpayer Relief Act or certain other legislation. See "**PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS"** herein.

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PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

Act 1 of Special Session 2006 ("Taxpayer Relief Act")

The Taxpayer Relief Act, which became effective June 27, 2006 provides, inter alia, that a school district may not levy any tax for the support of the public schools which was not levied in the 2006-2007 fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) the increase was necessary to fund one of the exceptions provided therein. On June 30, 2011, the General Assembly adopted legislation (Act 25 of 2011) amending the Taxpayer Relief Act eliminating several exceptions previously permitted and providing for the rescission of certain prior approved referendum exceptions for disaster/emergency costs, implementation of a court order, school construction and non-academic school construction (effective after the last payment of principal and interest on debt incurred to finance same). The current exceptions allowing tax increases above the Index are summarized as follows:

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004 (the School District did not so elect); to pay interest and principal on any indebtedness approved by the voters at referendum;

2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;

3. To make payments into the State Public School Employees' Retirement System when the increase in the actual dollar amount of estimated payments between the current year and the upcoming year is greater than the Index.

A school district intending to utilize the foregoing exceptions is entitled to apply to PDE for approval thereof, if and to the extent a tax increase greater than the Index is needed in any particular fiscal year. The Taxpayer Relief Act provides that PDE shall approve a school district's request if a review of the data demonstrates that the school district qualifies for the exception sought and the sum of the dollar amounts of all exceptions for which the school district qualifies is not more than what is necessary to balance the budget after giving effect to the revenue to be raised by the allowable increase under the Index. There can be no assurance; however, that approval will be given by PDE to utilize a referendum exception in any future fiscal year or years.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by the court or PDE, as the case may be. If a school district's petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by PDE by September 1st of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

The Index applicable to the School District for the current and previous fiscal years is as follows:

Fiscal Year Ending June 30,	**Applicable Index %**
2021	3.6
2020	3.2
2019	3.3
2018	3.2
2017	3.1

In accordance with the Taxpayer Relief Act, the Board of School Directors of the School District placed a referendum on the ballot for the May 15, 2007 primary election seeking voter approval to levy (or increase the rate of) an earned income tax or personal income tax and use the proceeds to reduce local real estate taxes by a homestead and farmstead exclusion. The referendum was not approved by a majority of the voters at the primary election.

THE FOREGOING SUMMARY OF THE TAXPAYER RELIEF ACT IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF THE TAXPAYER RELIEF ACT NOR A LEGAL INTERPRETATION OF ANY PROVISION OF THE TAXPAYER RELIEF ACT, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF THE TAXPAYER RELIEF ACT AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Status of the Bonds under the Taxpayer Relief Act

The Bonds described in this Official Statement do not represent debt that was incurred prior to the effective date of the Taxpayer Relief Act, therefore the Board of School Directors may not apply to PDE to use the Taxpayer Relief Act referendum exception for previously incurred debt if a tax increase greater than the Index is needed to provide for payment of principal or interest on the Bonds.

Act 130 of 2008

Act 130 of 2008 of the Commonwealth amended the Local Tax Enabling Act so as to authorize school districts levying an occupation tax with an increased earned income tax or, if the school district has implemented a personal income tax in accordance with the Taxpayer Relief Act, an increased personal income tax, in a revenue neutral manner. To replace an occupation tax, the board of school directors must first hold at least one public hearing on the matter and then place binding referendum question on the ballot at a general or municipal election for approval by the voters.

The School District has not scheduled a public hearing or taken other action to conduct a referendum under Act 130 of 2008.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 130 OF 2008. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 130 OF 2008 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 130 OF 2008. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 130 OF 2008 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Act 48 of 2003 – Limitation on Fund Balances

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

Total Budgeted Expenditures:	Estimated Ending Unassigned Fund Balance as a Percentage of Total Budgeted Expenditures:
Less than or equal to $11,999,999	12.0%
Between $12,000,000 and $12,999,999	11.5%
Between 13,000,000 and $13,999,999	11.0%
Between $14,000,000 and $14,999,999	10.5%
Between $15,000,000 and $15,999,999	10.0%
Between $16,000,000 and $16,999,999	9.5%
Between $17,000,000 and $17,999,999	9.0%
Between $18,000,000 and $18,999,999	8.5%
Greater than or equal to $19,000,000	8.0%

"Estimated ending unreserved fund balance" is defined in Act 2003-48 as that portion of the fund balance which is appropriable for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district's budget was adopted and held in the general fund accounts of the school district.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 48. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 48 NOR A LEGAL INTERPRETATION OF ANY PROVISIONS OF ACT 48. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 48 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

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TRENDS OF THE TEN LARGEST TAXPAYERS/ASSESSED VALUES, REAL PROPERTY TAX COLLECTION, TAX RATES, MARKET/ASSESSED VALUE TRENDS OF THE SCHOOL DISTRICT

Ten Largest Taxpayers

The assessed value for these largest taxpayers represents 22% of the School District's total assessed valuation of $119,507,077 for 2020-21.

Taxpayer	Taxable Assessed Value
USPG Portfolio Five, LLC	$ 4,90,000
Moosic 2031 Venture Dst (Fleet Bank)	3,471,524
Prudential Insurance Company	3,000,000
Tier II Properties, LP	2,946,500
Cinemark USA Inc.	2,669,920
Walmart Real Estate Business Trust	2,392,000
PA14 Taylor LLC% Gladstone Comm.	2,069,648
Taylor Warehousing.	1,940,200
Geisinger System Services	1,414,000
NNN Taylor PA Owner LP	1,243,800
Total	$26,047,592

Source: School District Officials

Real Property Tax Collection

The School District mails tax notices to taxpayers on or about August 1 of each year. The tax collection process of the School District allows taxpayers remitting in full prior to September 30 of each year a 2% discount on their tax obligations. Remittances between October 1 and November 30 are paid at face value and taxpayers remitting after November 30 pay a 5% penalty. After December 31st, all unpaid real estate taxes are turned over to the County Tax Claim Bureau for collection and delinquent collections are remitted monthly to the School District.

Fiscal Year	Tax Levy	Current Year Collections[1]	Percent of Collected (Current)	Current and Prior Years' Collections	Percent Collected (Total)
2014-15	$12,099,185	$11,180,775	92.41%	$11,776,660	97.33%
2015-16	12,405,485	11,589,168	93.42%	12,181,452	98.19%
2016-17	13,043,790	12,271,598	94.08%	12,971,598	99.45%
2017-18	13,475,446	12,836,474	95.26%	13,348,101	99.05%
2018-19	14,013,675	12,940,435	92.34%	13,249,343	94.54%

[1]Does not reflect discounts taken or penalties added.
Source: School District Officials

Real Property Millage Rates and Other (Act 511) Tax Rates of the School District

Fiscal Year	Real Estate (Mills)	Real Estate Transfer Tax (%)	Local Services Tax ($)	Earned Income Tax (%)
2016-17	113.86	0.5	5.00	0.5
2017-18	117.50	0.5	5.00	0.5
2018-19	121.02	0.5	5.00	0.5
2019-20	124.51	0.5	5.00	0.5
2020-21	128.73	0.5	5.00	0.5

Source: Pennsylvania Department of Community and Economic Development (“DCED”) – Municipal Tax Rates16-17: 113.86

Other taxes under Act 511, the School District has budgeted $1,384,745 in other taxes for 2020-21. Among the taxes authorized by Act 511, the Real Estate Transfer, the Local Services and the Earned Income Taxes are levied by the School District. The Act 511 limit, equal to 12 mills on the budgeted market value of real property is $9,737,551.

Real Estate Transfer Tax. The School District levies a tax at a rate 0.5% of the value of real estate transfers. The School District has budgeted its share of the collected portion of this tax for 2020-21 to yield approximately $96,000 of the School District's total revenue.

Local Services Tax. A tax of $5.00 is levied on each person with an occupation. The School District has budgeted its share of the collected portion of this tax for 2020-21 to yield approximately $40,000 of the School District's total revenue.

Earned Income Tax. A tax of 0.5% is levied on the earned income of residents. The School District has budgeted its share of the collected portion of this tax for 2020-21 to yield approximately $1,187,745 of the School District's total revenue.

Source: PDE 2028 Budget report for FYE June 30, 2021.

Comparative Real Property Millage Rates of the School District, Component Municipalities and County

	2015-16	2016-17	2017-18	2018-19	2019-20
School District	109.420	113.860	117.50	121.02	124.51
Municipalities within the School District	**2016**	**2017**	**2018**	**2019**	**2020**
Moosic Borough	12.870	12.870	12.870	12.870	15.870
Taylor Borough	20.256	20.256	20.256	22.300	22.300
Lackawanna County	39.600	41.600	41.600	41.850	41.850

Source: Department of Community and Economic Development ("DCED") – Municipal Statistics

Market Values and Assessed Values of the School District

Fiscal Year	Market Value	Assessed Value	Ratio
2016-17	$759,195,847	$117,590,075	15.55%
2017-18	762,711,314	118,625,119	14.73%
2018-19	811,462,562	119,507,077	14.66%
2019-20	820,518,158	120,261,497	14.66%

Source: Pennsylvania Tax Equalization Division ("TED")/State Tax Equalization Board ("STEB")

COMMONWEALTH AID AND APPROPRIATIONS

Commonwealth Aid to School Districts

Pennsylvania school districts receive financial assistance from the Commonwealth in a number of forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly.

Basic education funding is allocated to all school districts in an amount equal to: (1) a fixed sum equal to the school district's Fiscal Year 2014-15 basic educational funding; plus (2) an additional increment determined annually pursuant to statutory formula which adjusts a school district's average daily membership by a number of factors specific to the composition of the student population as well as the school district's median household income, local tax effort and capacity to generate local revenue. The additional increment as calculated above for any individual school district may be zero.

The School District's Fiscal Year 2014-15 funding amount was $4,576,344.64.

Information concerning the calculation of the School District's basic education funding can be found on the Pennsylvania Department of Education's website at https://www.education.pa.gov

School districts may also receive state aid for special education, pupil transportation, vocational education, and health services, among other things.

Commonwealth law presently provides that the School District will receive reimbursement from the Commonwealth for a portion of the debt service on the Bonds after said Bonds have received final approval of the Department of Education. Commonwealth reimbursement is based on the "Reimbursable Percentage" assigned to the Bonds and the School District's Aid Ratio or CARF, whichever is higher. The School District's CARF is currently higher at 53.68%. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon". In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

Neither of the Commonwealth's 2015-16 and 2016-17 budgets appropriated funds for PlanCon Reimbursements to any school district.

Rather than appropriate the amounts committed to be paid from current state revenues, the General Assembly determined to issue bonds through the Commonwealth Financing Authority (the "CFA") to fund its 2015-16 and 2016-17 obligations. House Bill 1589, which included an authorization to issue up to $2.5 billion of bonds to fund the obligation, became law despite the Governor's refusal to sign the legislation. The first CFA bond issue closed on October 31, 2016, and the proceeds were used to fund the past due PlanCon Reimbursements for the 2015-16 as well as the 2016-17 fiscal year reimbursements. A second CFA bond issue to fund PlanCon Reimbursements closed on January 18, 2018 and a third CFA bond issue closed on May 22, 2019.

Act 25 of 2016 provides that the Department of Education shall not accept or approve new building or reconstruction project applications, if received after May 15, 2016. Instead, new projects are subject to such new or revised system of Commonwealth support for construction or renovation as may be enacted into law in the future.

Recently enacted Act 70 of 2019 (approved July 2, 2019) reforms the PlanCon program by, among other things, reducing the number of individual parts to the program, adjusting the reimbursement formula, providing reimbursement for certain repair and maintenance projects and limiting state reimbursement payments to fixed amount over a twenty-year period. However, the General Assembly did not include PlanCon funding in the 2019-20 fiscal year budget, and so the moratorium on new projects first imposed by Act 25 of 2016 continues. To the extent that Act 70, or any future legislation, contains material changes to the PlanCon program as it is structured currently, the amount of PlanCon reimbursement to the School District may be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by the School District to pay debt service on its debt obligations.

Notwithstanding the foregoing, the projects originally financed (or refinanced) by the bond being refunded herein have been previously approved for PlanCon reimbursement, and the School District has been receiving such funds (including catch-up payments from the proceeds of the above-described CFA bond issues). The School District expects that PlanCon reimbursement will continue to be paid in respect of the Bonds, albeit the percentage applicable to these Bonds may vary from that currently applicable to the refunded bonds, owing to the inclusion of new capital projects, none of which are eligible for PlanCon reimbursement.

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STATEMENT OF LONG-TERM INDEBTEDNESS DIRECT DEBT (NON ELECTORAL & LEASE RENTAL), OVERLAPPING DEBT, HISTORY OF TAX ANTICIPATION NOTES, DEBT RATIOS, COVERAGE OF FUTURE DEBT SERVICE REQUIREMENTS BY STATE APPROPRIATIONS AND DEBT LIMITS

Debt Statement

DIRECT DEBT	**As of August 13, 2020**				
NONELECTORAL DEBT	**Gross**	**Project Reimbursable**	**Net Effective** [(1)]	**State** [(2)]	**Local**
Issue Type	**Outstanding**	**Percent**	**Reimbursement**	**Share**	**Share**
General Obligation Bonds, Series of 2020	$1,865,000	27.92%	16.14%	$301,073	$1,563,927
General Obligation Bonds, Series of 2018	3,725,000	0.00%	0.00%	0	3,725,000
General Obligation Bonds, Series of 2017	1,235,000	39.82%	23.02%	284,345	950,655
General Obligation Bonds, Series of 2016 (unrefunded portion)	2,015,000	1.68%	0.97%	19,573	1,995,427
General Obligation Bonds, Series of 2014 (unrefunded portion)	8,035,000	39.82%	23.02%	1,849,972	6,185,028
General Obligation Notes, Series of 2013	280,000	19.96%	11.54%	32,314	247,686
TOTAL PRINCIPAL NONELECTORAL DEBT	$17,155,000			$2,487,279	$14,667,721
LEASE RENTAL DEBT	$0				
TOTAL DIRECT DEBT	$17,155,000				
OVERLAPPING DEBT					
Component Municipalities Debt	$564,357				
Lackawanna County[(3)]	20,525,688				
TOTAL PRINCIPAL OF OVERLAPPING DEBT	$21,090,045				
TOTAL DIRECT AND OVERLAPPING DEBT	$38,245,045				

[(1)]Product of the project reimbursable percentage multiplied by the School District's CARF. See "**Commonwealth Aid to School Districts**" above.
[(2)]Gives effect to current appropriations for payment of debt service and expected future Commonwealth Reimbursement of School District sinking fund payments based on current Aid Ratio. See "**Commonwealth Aid to School Districts**" above.
[(3)]Pro rata share of 7.829% percent of $262,599,772 principal amount outstanding.

Source: PA - Department of Community and Economic Development ("DCED") – Local Government Unit Debt Act ("LGUDA") reports

DEBT RATIOS OF DIRECT AND OVERLAPPING DEBT	
Direct Debt to Market and Assessed Value:	
Market Valuation of Real Estate	2.26%
Assessed Valuation of Real Estate	14.46%
Per Capita (2016 Population)	$1,446
Overlapping Debt to Market and Assessed Value:	
Market Valuation of Real Estate	2.78%
Assessed Valuation of Real Estate	17.78%
Per Capita (2016 Population)	$1,777

FINANCIAL FACTORS OF THE SCHOOL DISTRICT	
Market Value (2016)	$759,195,847
Assessed Value (2016)	$118,625,119
Population (2016)	11,867

Source: Pennsylvania Tax Equalization Division ("TED")/State Tax Equalization Board ("STEB") and Pennsylvania Census Bureau.

History of Tax Anticipation Note Financings

The School District has issued two Tax Anticipation Notes over the past five-years: $5,000,000 Tax Anticipation Note, Series of 2017 and $3,500,000 Tax Anticipation Note, Series of 2016.

Debt Limit and Remaining Borrowing Capacity

The borrowing capacity of the School District is calculated in accordance with provisions of the Act, which describes the applicable debt limits for local government units, including school districts and municipalities. Under the Debt Act, the School District may incur electoral debt, which is debt that is approved by a majority of the School District's voters at either a general or special election, in an unlimited amount. Net non-electoral debt, or debt not approved by the School District's electorate, net of state aid, may not exceed 225% of the School District's "Borrowing Base". The Borrowing Base is calculated as the annual arithmetic average of Total Revenues (as defined in the Debt Act), for the three full fiscal years ended next preceding the date of incurring debt. Combined net non-electoral debt and net lease rental debt (debt represented by capital leases and other forms of agreement net of state aid), incurred on behalf of the School District may not exceed 225% of the School District's Borrowing Base. The Borrowing Base and borrowing capacity of the School District are as follows:

	2018	2019	2020 Unaudited
Total General Fund Revenues	$ 25,431,390	$ 25,689,955	$ 26,749,802
Less: Required Deductions			
(a) Rental and Sinking Fund Reimbursement			
(b) Revenues for Self-Liquidating Debt	0	0	0
(c) Interest Earned on Sinking Funds	0	0	0
(d) Grant and Gifts for Capital Projects	0	0	0
(e) Sale of Equipment and Non-Recurring Items		0	0
Total Exclusions	$	$	$
Total Net Revenues	$ 25,431,390	$ 25,689,955	$ 26,749,802
Total Net Revenues for (3) Years		$ 77,871,147	
Borrowing Base – Annual Arithmetic Average Net Revenues for (3) Year Period		$25,957,049	

Net Nonelectoral Debt and Lease Rental Debt Limit:	Legal Limit	Net Debt Outstanding	Remaining Borrowing Capacity
225% of Borrowing Base	$58,403,360	$17,155,000	$41,248,360

Source: School District Officials

Future Financing

The School District is currently considering an ESCO project, but has not yet made a determination as to the issuance size and scope of the project.

LABOR RELATIONS

School District Employees

There are approximately 198 employees of the School District, including 132 teachers and administrators and 66 support personnel including secretaries, custodial and maintenance staff, cafeteria staff, teacher aids, security monitors, librarian assistants and licensed nurses.

The professional employees of the School District are represented by the Riverside Education Association, an affiliate of the Pennsylvania State Education Association (PSEA), under a contract with the School District which expires on August 31, 2020. The non-teaching employees are represented by the Riverside School Service Personnel Association, also affiliated with the PSEA. The present non-teaching employees' contract expires on June 30, 2021.

Source: School District Officials

PENSION PROGRAM

Pension

Currently, all Pennsylvania school districts intermediate units participate in a pension program administrated by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS "), and a percentage of each eligible employee's salary is contributed by the employee, the School District and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employee s with over five hundred hours per year participate in the program.

Previously, the amount of salary contributions was fixed for the employee at 5.25% if hired prior to July 22, 1983 and 6.25%, if hired on or after July 22, 1983. With the passage of Act 9 of 2001, these contribution rates were raised to 6.5% and 7.5%, respectively, unless an employee chose not to change his/her benefit class. For the fiscal year ended June 30, 2017, the School District contributed 30.03% of the wages and salaries of all employees to the Public School Employees' Retirement System; the Commonwealth, in tum, reimbursed the School District at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, l 994. With respect to employees hired after July 1, 1994, mid who were not previously employed by another public school system in the Commonwealth, the School District will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the School District or the current Market Value Aid Ratio of the School District. The School District is reimbursed on a quarterly basis by the Commonwealth.

The School District's gross contributions to PSERS, prior to Commonwealth Reimbursement, are as follows:

Fiscal Year Ending June 30,	Annual Gross Pension Contribution
2015-16	$2,182,377
2016-17	2,921,710
2017-18	3,310,114
2018-19	3,420,324
2019-20	3,625,930
2020-21 Budgeted	3,673,385

At June 30, 2017, the School District reported a liability of $34,492,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2015 to June 30, 2016. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2016, the School District's proportion was 0.0696%, which was a decrease of 0.0001% from its proportion measured as of June 30, 2015.

As of June 30, 2018, the PSERS plan was 56.5% funded, with an unfunded actuarial accrued liability of approximately $44.9 billion. PSERS' rate of return for fiscal year ended June 30, 2019 was 6.68%. The Fund had plan net assets of $56.7 billion at June 30, 2018. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Official Statement.

Source: School District Audit and PSERS

Pension Reform Legislation Update

On June 12, 2017, Senate Bill 1 ("SB1") was signed into law by the Governor, effective immediately. SB1 amends the Public School Employees' Retirement Code and the State Employees' Retirement Code to require that all school employees hired after July 1, 2019 (PSERS) and most state employees hired after January 1, 2019 (SERS) select one of three new plan design options for retirement benefits. The new plan design options include two hybrid options, which have both a defined benefit ("DB") component and a defined contribution ("DC") component, as well as a standalone DC plan option. A brief summary of the three pension design plan options follows. The descriptions identify the three main parameters of the plans: (I) the employee contribution rate, (2) the employer contribution rate and (3) the benefit accrual rate, or multiplier. A full detailed copy of the SB I legislation can be found at www.legis.state.pa.us.*

Option 1: Default Side-by-Side Hybrid Plan

If no election is made from the three options, new school employees become members of "Class T-G," and most new state employees become members of "Class A-5." Members of these classes participate in both a DB and DC plan. Under this option:

- Employees contribute a total of 8.25% of compensation, which would be divided between the DB and DC components as follows: PSERS members 5.5% (DB) and 2.75% (DC); SERS members 5.0% (DB) and 3.25% (DC).

- For the DB component, the employer contribution rate would be actuarially determined. For the DC component, the employer contribution rate is 2.25% of compensation.

- A multiplier of 1.25% applies to the DB component of the plans.

Option 2: Alternative Side-by-Side Hybrid Plan

New members may elect an alternative side-by-side hybrid benefit plan. Under this new plan, new school employees become members of "Class T-H," and most new state employees become members of "Class A-6." The DB component contains lower employee contribution and benefit accrual rates, and the DC component contains a lower employer contribution rate. Under this option:

- Employees contribute a total of 7.5% of compensation, which would be divided between the DB and DC components as follows: PSERS members 4.5% (DB) and 3.0% (DC); SERS members 4.0% (DB) and 3.5% (DC).

- For the DB component, the employer contribution rate would be actuarially determined. For the DC component, the employer contribution rate is 2.0% of compensation.

- A multiplier of 1.0% applies to the DB component of the plans.

Option 3: Stand-alone Defined Contribution Plan

In lieu of the hybrid plans, the bill provides for a stand-alone DC benefit plan. This plan would not include a DB component, and is similar to the federal government's Thrift Savings Plan or 401(k) plans. New school employees and most new state employees would contribute 7.5% of compensation with an employer contribution of 2.0% (PSERS) or 3.5% (SERS).

Pension Funding Pressure

The School District's annual pension contribution obligation is expected to continue to climb over the next several years. As PSERS' pension obligations rise, it should be expected that the annual amount payable by the School District to PSERS will also rise, absorbing a greater share of available funds the School District has to pay its obligations on the Bonds and on other indebtedness.

*These changes do not address the unfunded pension liability of the Commonwealth, estimated to be $71 billion in 2016, nor do they provide immediate relief to school districts, whose contribution to PSERS as a percentage of payroll is expected to increase to 36.40% in 2021.

Source: Pennsylvania School Board Association at www.PSBA.org and PSERS at www.PSERS.state.pa.us, for additional information.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and a few qualified future retired employees, and to provide retirement severance pay for qualified existing employees. The School District which became subject to the requirements of GASB Statements No. 43 and 45, which required the present value of future other post-employment benefits to be reflected as a liability on the School District's financial statements which commenced with the School District's annual financial statements for the fiscal year ending June 30, 2009. For a full description of the plan, please refer to Appendix F – Audited Financial Statements.

APPENDIX B

Demographic Characteristics and Statistical Information

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DEMOGRAPHIC CHARACTERISTICS

Population

The table below shows population comparisons for the component municipalities that comprise the School District, Lackawanna County, Pennsylvania and the United States.

				Percentage Increase (Decrease)	
	2000	2010	2016	2000 to 2010	2010 to 2016
School District					
Moosic Borough	5,575	5,719	5,731	2.60%	0.21%
Taylor Borough	6,475	6,263	6,136	(3.30)%	(2.07)%
Lackawanna County	213,295	214,437	213,006	0.50%	(0.67)%
Pennsylvania	12,281,054	12,702,379	12,783,977	3.40%	0.64%
U.S.	281,421,906	308,745,538	318,558,162	9.70%	3.08%

Source: American Factfinder, Pennsylvania State Data Center; U.S. Bureau of Census

Housing Characteristics

	Total Housing Units		Occupied		Vacant [1]		Median Value – Owner Occupied	
	2010	2016	2010	2016	2010	2016	2010	2016
School District								
Moosic Borough	2,500	2,627	94.50%	91.3%	5.5%	8.7%	151,500	146,500
Taylor Borough	2,791	2,717	88.4%	88.5%	5.7%	11.6%	100,400	116,100
Lackawanna County	96,832	97,449	90.1%	97.4%	9.9%	12.6%	144,900	147,100
Pennsylvania	5,567,315	5,592,175	90.1%	88.7%	9.9%	11.3%	165,500	166,000
U.S.	131,704,730	134,054,899	88.6%	87.8%	11.4%	12.2%	179,900	178,600

[1] Includes seasonal, recreational or occasional use housing units

Source: American Factfinder, Pennsylvania State Data Center; U.S. Bureau of Census

Age Composition

	Median Age (Years)		Sex Ratio (males per 100 females)		Age Dependency Ratio		Old Age Dependency Ratio		Child Dependency Ratio	
	2010	2016	2010	2016	2010	2016	2010	2016	2010	2016
School District										
Moosic Borough	44.2	44.2	93.8	113.0	62.1	59.5	33.0	28.3	29.1	31.2
Taylor Borough	44.0	43.1	82.3	85.0	70.7	67.7	33.4	34.7	37.3	33.0
Lackawanna County	41.9	42.2	92.0	93.6	62.7	63.8	29.0	30.8	33.7	33.0
Pennsylvania	39.8	40.6	94.8	95.8	60.4	60.9	24.5	26.8	35.9	34.0
U.S.	36.9	37.7	96.7	96.9	59.0	60.3	20.3	23.2	38.7	37.0

Source: American Factfinder, Pennsylvania State Data Center; U.S. Bureau of Census

Per Capita Income

	2010	2016
School District		
Moosic Borough	$31,354	$33,187
Taylor Borough	19,807	20,681
Lackawanna County	23,934	26,179
Pennsylvania	26,374	30,137
U.S.	26,059	29,829

Source: American Factfinder, Pennsylvania State Data Center; U.S. Bureau of Census

Transportation

Highways. Interstate 81 traverses the School District north and south, with access to Interstate 380, Interstate 84 and the Northeast Turnpike extension. U.S. Route 315 also runs through the School District. Other routes which provide transportation in the region include U.S. Routes 6 and 11 and Pennsylvania Routes 92, 115, 247, 252, and 352.

Bus Service. The School District is served by the County of Lackawanna Transit System ("COLTS") which provides local bus service in the area. Long distance bus service is available through Martz and Greyhound Bus Lines in the City of Scranton.

Air Service. The Wilkes-Barre/Scranton International Airport is located approximately 2 miles from the School District, across the Lackawanna County border in Luzerne County, providing passenger and freight service to all parts of the United States, plus many international destinations.

Utilities and Communications

Sewer. Sewer service is provided to School District households by the Lackawanna River Basin Sewer Authority.

Water. Water service to residents of the School District is provided by Pennsylvania-American Water Company.

Electricity and Gas. Electricity is provided to the School District residents by PPL. Gas is provided by UGI Penn Natural Gas.

Telephone. Telephone service is provided by Verizon and by other telephone companies.

Higher Education

Lackawanna County is endowed with a good range of institutions of higher learning. The two larger, private institutions offering undergraduate and graduate degrees in the County are the University of Scranton and Marywood University in Scranton, which currently report approximate enrollments of approximately 5,400, and 3,400 respectively. Keystone College in LaPlume, with an enrollment of approximately 1,770, was given formal approval to offer 4-year degree programs in 1998. Lackawanna College, which offers 2-year degree programs, operates from its main campus in Scranton, with over 1,400 students attending classes there and at its off-campus sites in Hazleton, Honesdale and Towanda. Johnson College, located in Scranton, which offers clinical and technological associate degrees, estimates its student enrollment at 400. Pennsylvania State University – Worthington Campus, is located in Dunmore. There are several colleges and universities located in Luzerne County that are within an easy commute. These include Kings College and Wilkes University in Wilkes-Barre and Misericordia University in Dallas.

Recreation

School District residents have access to a variety of recreational facilities through public, private and quasi-public agencies. These include a wide range of recreational facilities featuring, the New York Yankees' affiliated Scranton/Wilkes-Barre RailRiders Triple A baseball team, the Wilkes-Barre/Scranton Penguins of the American Hockey League, a Convention Center/Civic Arena, over 40 golf courses, including Glenmaura National Golf Club in Moosic, parks, playgrounds, the Pocono Mountain ski resorts, Pocono Downs harness racing, and the nearby Pocono International Raceway which hosts NASCAR, SCCA, and IMSA racing.

ECONOMY

Trends in Lackawanna County Employment and Unemployment [(1)]

	County Civilian	Total	Percentage Unemployed	
Year	**Labor Force**	**Employment**	**County**	**Pennsylvania**
2013	107,200	98,000	8.6%	7.4%
2014	106,700	99,700	6.6%	5.8%
2015	106,400	100,400	5.7%	5.1%
2016	106,800	100,700	5.7%	5.4%
2017	106,300	100,900	5.1%	4.9%
2018 (March)	104,900	99,800	4.8%	4.8%

[(1)]Not seasonally adjusted
Source: Pennsylvania Department of Labor and Industry

Scranton-Wilkes-Barre-Hazleton Metropolitan Statistical Area
(Lackawanna, Luzerne and Wyoming Counties)
Classification of Employment by Industry
(Non-Farm Jobs – Not Seasonally Adjusted)
March 2018

ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	March 2018	February 2018	January 2018	March 2017	February 2018	March 2017
TOTAL NONFARM	263,400	261,700	261,200	258,000	1,700	5,400
TOTAL PRIVATE	233,900	232,600	232,100	228,600	1,300	5,300
GOODS-PRODUCING	37,700	37,600	37,700	37,000	100	700
Mining, Logging, and Construction	10,000	9,800	9,800	9,200	200	800
Manufacturing	27,700	27,800	27,900	27,800	-100	-100
Durable Goods	12,400	12,400	12,400	12,500	0	-100
Non-Durable Goods	15,300	15,400	15,500	15,300	-100	0
SERVICE-PROVIDING	225,700	224,100	223,500	221,000	1,600	4,700
PRIVATE SERVICE-PROVIDING	196,200	195,000	194,400	191,600	1,200	4,600
Trade, Transportation, and Utilities	64,300	63,500	64,400	62,200	800	2,100
Wholesale Trade	9,700	9,700	9,800	9,800	0	-100
Retail Trade	30,000	29,500	29,900	30,100	500	-100
Grocery stores	6,200	6,200	6,300	6,300	0	-100
General merchandise stores	5,700	5,700	5,800	5,700	0	0
Transportation, Warehousing, and Utilities	24,600	24,300	24,700	22,300	300	2,300
Information	3,000	3,000	3,000	3,200	0	-200
Financial Activities	12,500	12,500	12,400	12,300	0	200
Professional and Business Services	30,600	30,800	31,300	29,000	-200	1,600
Education and Health Services	54,900	54,700	52,900	53,900	200	1,000
Educational services	10,700	10,800	9,100	10,500	-100	200
Health care and social assistance	44,200	43,900	43,800	43,400	300	800
Hospitals	9,100	9,100	9,100	9,100	0	0
Leisure and Hospitality	22,400	22,100	22,000	22,500	300	-100
Accommodation and food services	20,600	20,300	20,200	20,300	300	300
Food services and drinking places	17,500	17,300	17,200	17,400	200	100
Other Services	8,500	8,400	8,400	8,500	100	0
Government	29,500	29,100	29,100	29,400	400	100
Federal Government	4,200	4,200	4,300	4,300	0	-100
State Government	6,100	6,000	6,100	6,100	100	0
Local Government	19,200	18,900	18,700	19,000	300	200
Local government educational services	11,800	11,600	11,400	11,500	200	300
Local government excluding educational services	7,400	7,300	7,300	7,500	100	-100

Data benchmarked to March 2017 ***Data changes of 100 may be due to rounding***

Source: Pennsylvania Department of Labor & Industry

Major Employers in Lackawanna County (3rd Q 2017)

Employer	Service/Product
Allied Services Foundation	Rehabilitative Health Care
Commonwealth of Pennsylvania	State Government
Community Medical Center.	Health Care
Scranton School District	Public Education
Lackawanna County	County Government/Administration
TMG Health	Health Care Processing
The University of Scranton	Higher Education
U.S. Government	Federal Government
Wal-Mart Associates	Retail
Cigna Health and Life Insurance Company	Insurance
Scranton Hospital Company LLC	Health Care
Scranton Hospital Company LLC	Health Care
Marywood University	Higher Education

Source: Department of Labor & Industry, Center for Workforce Information and Analysis

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APPENDIX C

Form of Opinion of Bond Counsel

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$1,865,000
RIVERSIDE SCHOOL DISTRICT
LACKAWANNA COUNTY
(PENNSYLVANIA)
GENERAL OBLIGATION BONDS Series of 2020

September 15, 2020

TO THE PURCHASERS OF THE
ABOVE DESCRIBED BONDS

We have acted as Bond Counsel in connection with the issuance and sale by the Riverside School District, Lackawanna County, Pennsylvania (the "Issuer") of its $1,865,000 aggregate principal amount, of its General Obligation Bonds, Series of 2020 (the, "Bonds"). The Bonds have been issued pursuant to a resolution (the "Resolution") enacted by the Issuer on August 10, 2020, are issuable in the denominations of $5,000 and integral multiples thereof and are in fully registered form. The Bonds bear interest from the date of delivery payable initially on October 15, 2020, and on each October 15th and April 15th thereafter. The Bonds mature on the dates and in the amounts and are subject to redemption as set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify those facts by independent investigation.

In rendering this opinion we have examined and relied upon (a) the opinion of counsel to the Issuer with respect, inter alia, to the due enactment by the Issuer of the Resolution in accordance with applicable laws and (b) the accuracy of the statements and representations and the performance of the covenants of the Issuer set forth in the Resolution and the Issuer's Non-Arbitrage Certificate delivered on this date in connection with the issuance of the Bonds.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Issuer is authorized under the provisions of the Constitution and laws of the Commonwealth of Pennsylvania to issue the Bonds for the purposes above set forth, and the Issuer has authorized the issuance thereof.

2. As indicated in the Issuer's debt statement filed with the Department of Community and Economic Development in connection with the issuance of the Bonds, outstanding debt of the Issuer, including debt represented by the Bonds, is within the debt limitations act.

3. The Bonds are valid and binding general obligations of the Issuer, the payment for which the Issuer is obligated to exercise its ad valorem taxing power, subject to the limitations

prescribed by law, upon all taxable property within the Issuer, and the Bonds are additionally secured by the "state aid intercept" provisions of Section 633 of the Public School Code of 1949, as amended by Act 150 of 1975.

4. The Issuer has effectively covenanted to include the amount of the debt service on the Bonds for each fiscal year in which such sums are due in its budget for that year, to appropriate such amounts to the payment of such debt service and to punctually pay or cause to be paid the debt service on the Bonds at the dates and places and in the manner stated in the Bonds.

5. The interest on the Bonds (a) is excluded from gross income for federal income tax purposes, (b) is not an item of tax preference within the meaning of Section 57(a)(5) of the Code for purposes of the federal alternative minimum tax imposed by Section 55 of the Code on individuals and corporations; however, it should be noted that (1) with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purposes of (i) computing the alternative minimum tax imposed on such corporations by Section 55 of the Code, and (ii) computing the environmental tax imposed by Section 59A of the Code, and (2) with respect to foreign corporations, such interest could be subject to a branch profits tax. The opinion set forth in clause (a) above is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (and continue to be) excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Ownership of the Bonds may give rise to collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. We express no opinion as to such collateral federal income tax consequences.

6. The Bonds are exempt from personal property taxes in Pennsylvania; the interest on the Bonds and any gain from the sale or exchange thereof are exempt from Pennsylvania Corporate Net Income Tax and from Pennsylvania State and local personal income tax.

7. Under the Probate, Estates and Fiduciaries Code of Pennsylvania, the Bonds are authorized investments for fiduciaries and personal representatives, as defined in said code, in Pennsylvania.

8. The Bonds are Qualified Tax-Exempt Obligations under Section 265(b)(3) of the Code.

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Internal Revenue Code are not met. The Issuer has covenanted in the Resolution to comply with such requirements.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, except that we have reviewed the portion of the Official Statement relating to our opinion and have determined that such portion is a fair and accurate description of our opinion.

Very truly yours,

HAGGERTY HINTON & COSGROVE, LLP

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APPENDIX D

Form of Continuing Disclosure Certificate

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$1,865,000
RIVERSIDE SCHOOL DISTRICT
LACKAWANNA COUNTY, PENNSYLVANIA
GENERAL OBLIGATION BONDS, Series of 2020

CONTINUING DISCLOSURE AGREEMENT

ARTICLE I - Undertaking to File Current Information with EMMA

Section 1.01

The Riverside School District (the "Obligated Person") in connection with the issuance of the Obligated Person's $1,865,000 Series of 2020 Bonds (the "Bonds") hereby agrees, in accordance with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided, to the Electronic Municipal Market Access System ("EMMA"), the following annual financial information and operating data within two hundred and seventy-five (275) days following the close of each respective fiscal year, commencing with the fiscal year ended June 30, 2020:

(I) a copy of its audited financial statements, prepared in accordance with the guidelines adopted by the Governmental Accounting Standard Board and the American Institute of Certified Public Accountant's Audit guide, Audits of State and Local government, beginning with the fiscal year ending June 30, 2020, containing:

(II) the financial statements for the most recent fiscal year, prepared in accordance with generally accepted accounting principals for local government units and audited in accordance with generally accepted auditing standards;

(III) a summary of the budget for the current fiscal year;

(IV) the aggregate assessed value and market value of all taxable real estate for the most recent fiscal year;

(V) the taxes and millage rates imposed for the most recent fiscal year;

(VI) the real property tax collection results for the most recent fiscal year, including (1) the real estate levy imposed (expressed both as a millage rate and an aggregate dollar amount), (2) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount), (3) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (4) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount); and

(VII) a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the most recent fiscal year.

Such annual information and operating data described above will be made available, in addition to EMMA, to the Paying Agent (if any) and to each holder of bonds who makes inquest for such information.

ARTICLE II - Modification of Types of Information and Format of Information Permitted

Section 2.01

The Obligated Person reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent or appropriate, as a result of a change in legal requirements or a change in the nature of the Obligated Person, provided, however, that the Obligated Person (which may rely on an Opinion of Counsel), agrees that any such modification will be done in a manner consistent with the Rule, and will not substantially impair the interest of the bondholders.

ARTICLE III - Event Disclosure

Section 3.01

The Obligated Person will provide in a timely manner, not to exceed ten business days after occurrence, to the Municipal Securities Rulemaking Board (the "MSRB") via the Electronic Municipal Market Access (EMMA) System created by the MSRB, on such form and in such format as shall be required by the MSRB for such filings, notice of any of the following events with respect to the Bonds within the meaning of the Rule:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of the owners, if material;

(h) optional or unscheduled redemptions of any Bonds, if material;

(I) defeasance of the Bonds or any portion thereof;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) tender offers;

(m) bankruptcy, insolvency, receivership or similar event of the School District;

(n) consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the School District, or entry into or termination of a definitive agreement relating to the foregoing, if material; and

(o) appointment of a successor or additional paying agent or trustee or the change of name of the paying agent or trustee, if material; and

(p) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; and

(q) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Obligated Person, any of which reflect financial difficulties; and

(r) Incurrence of a financial obligation of the issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or Obligated Person, any of which affect security holders, if material; and

(s) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or Obligated Person, any of which reflect financial difficulties.

The Obligated Person may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Obligated Person, such other events are material with respect to the Bonds, but the Obligated Person does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Obligated Person agrees to provide or cause to be provided, in a timely manner, to the Paying Agent, and to EMMA , notice of a failure by the Obligated Person to provide the annual financial information described in Section 1.01 (I)-(VI) above on or prior to the date set forth in Section 1.01above.

The Paying Agent shall have no obligation to independently provide notices to the MSRB of any of the preceding events, even if the Paying Agent has notified the Obligated Person of the occurrence of the event, but rather is obligated only, if so agreed to be the Paying Agent, to disseminate such notice in such form as the Obligated Person has provided to it.

Failure to Provide Information. The Obligated Person reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth, if and when the Obligated Person no longer remains an obligated person with respect to the Bonds, within the meaning of the Rule.

Disclosure for Benefit of Registered Owners: Remedies. The Obligated Person agrees that its undertaking, pursuant to the Rule, set forth above is required to be for the benefit of the registered owners of the Bonds. A failure by the Obligated Person to comply with the provisions of this undertaking shall not constitute an event of default with respect to the Bonds under the Act or otherwise. In the event the Obligated Person fails to comply with the provisions of the section within 10 days of receipt of a written request for information which the Obligated Person has agreed to provide hereunder by a registered owner of the Bonds, the registered owner shall be limited in its remedies to specific performance or a writ of mandamus in a court of competent jurisdiction to enforce the obligations of the Obligated Person under this section.

RIVERSIDE SCHOOL DISTRICT

By:____________________________

Carol Armstrong
President of the Board of
School Directors

____
Barbara Fedor, Secretary

APPENDIX E

Specimen Municipal Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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APPENDIX F

Audited Financial Statements of the School District

Fiscal Year Ending June 30, 2019

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RIVERSIDE SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS
AND
SINGLE AUDIT REPORT

JUNE 30, 2019

AND

REPORT OF INDEPENDENT

CERTIFIED PUBLIC ACCOUNTANTS

AND

SUPPLEMENTARY INFORMATION

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SUPPLEMENTARY INFORMATION – OTHER FINANCIAL STATEMENTS

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MURPHY, DOUGHERTY & COMPANY
Certified Public Accountants

1310 Church Street, Suite 3000, Route 690 • Moscow, PA 18444
Ph: (570) 848 2866 • Fax: (570) 848 2833

J. PAUL MURPHY, CPA
MICHAEL DOUGHERTY, CPA

PAUL T. MURPHY, CPA
LEAH C. ROSENKRANS, CPA

INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Board of School Directors
Riverside School District
Taylor, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverside School District, Taylor, Pennsylvania as of and for the year ended June 30, 2019, 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 of 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 Riverside School 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 Riverside School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the schedule of the District's proportionate share of the net pension liability on page 52, the schedule of District's contributions to the pension plan on page 53, the schedule of District's proportionate share of the net OPEB liability on page 54, the schedule of District's OPEB contributions on page 55 and the schedule of changes in total OPEB liability and related ratios on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 Riverside School District's basic financial statements. The supplementary information on pages 57 through 63 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the financial statements.

The supplementary information on pages 58 through 64 as listed in the table of contents and 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 supplementary information on pages 57 through 63 as listed in the table of contents and 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 Governmental Auditing Standards

In accordance with "Government Auditing Standards", we have also issued our report dated March 2, 2020 on our consideration of the Riverside School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Riverside School District's internal control over financial reporting and compliance.

Moscow, Pennsylvania
March 2, 2020

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

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- General revenues accounted for $21,149,255 in revenue or 80 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $5,248,305 or 20 percent of total revenues of $26,397,671.
- In total, net position decreased $929,754 which represents a 2.5 percent decrease from 2018.
- Total assets of governmental activities increased by $1,852,079.
- The School District had $27,327,425 in expenses; only $5,248,305 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state revenues) of $21,149,366 were adequate to provide for these programs.

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 a 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 2019?" 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

The analysis of the School District's major funds begins on page 13. 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 Funds.

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.

THE SCHOOL DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2019 compared to 2018:

TABLE I
NET POSITION

	2019	2018
ASSETS		
Current and Other Assets	$ 6,006,188	$ 5,810,773
Capital Assets	22,343,391	20,491,312
TOTAL ASSETS	28,349,579	26,302,085
DEFERRED OUTLOWS OF RESOURCES	6,002,403	7,215,118
LIABILITIES		
Current Liabilities	7,419,310	6,847,883
Other Liabilities	63,218,446	62,428,152
TOTAL LIABILITIES	70,637,756	69,276,035
DEFERRED INFLOWS OF RESOURCES	1,348,541	918,144
NET POSITION		
Invested in Capital Assets, Net of Debt	2,823,301	2,647,473
Restricted	674,387	-
Unrestricted	(41,244,585)	(39,324,449)
TOTAL NET POSITION	$ (37,746,897)	$ (36,676,976)

Total assets and deferred outflows of resources increased by $834,779 as cash and cash equivalents increased by $372,584, receivables decreased by $198,738 and capital assets increased by $1,852,079. Total liabilities and deferred inflows of resources increased by $1,792,118. Unrestricted net position, the part of net position that can be used to, finance day-to-day activities without constraints established by grants or legal requirements, of the School District decreased by $1,920,136.

Table 2 shows the changes in net position for fiscal year 2019 and 2018.

TABLE 2
CHANGES IN NET POSITION

	2019	%	2018	%
REVENUES				
Program Revenues:				
Charges for Services	$ 239,912	0.9%	$ 208,031	0.8%
Operating Grants and Contributions	5,008,393	19.0%	5,273,993	20.2%
Capital Grants and Contributions	-	0.0%	-	0.0%
General Revenues:				
Property taxes	13,889,402	52.6%	13,551,378	51.9%
Grants and Entitlements	5,555,503	21.0%	5,503,721	21.1%
Other	1,704,461	6.5%	1,570,966	6.0%
TOTAL REVENUES	26,397,671	100.0%	26,108,089	100.0%
PROGRAM EXPENSES				
INSTRUCTION	16,523,072	60.5%	16,530,198	62.0%
SUPPORT SERVICES				
Pupils and Instructional Staff	1,871,238	6.8%	1,682,247	6.3%
Board of Education, Administration, Fiscal and Business	2,089,794	7.6%	1,886,623	7.1%
Operation and Maintenance of Plant	2,429,604	8.9%	2,340,883	8.8%
Pupil Transportation	1,303,898	4.8%	1,295,541	4.9%
Other Support Services and Central	356,507	1.3%	364,763	1.4%
Operation of Non-Instructional Services	1,168,037	4.3%	1,127,054	4.2%
Unallocated Depreciation	1,046,936	3.8%	958,234	3.6%
Interest and Fiscal Charges	538,339	2.0%	477,379	1.8%
TOTAL EXPENSES	27,327,425	100.0%	26,662,922	100.0%
INCREASE (DECREASE) IN NET POSITION	$ (929,754)		$ (554,833)	

GOVERNMENTAL ACTIVITIES

Property taxes made up 52.6 percent of revenues for governmental activities for the Riverside School District for fiscal year 2019.

Instruction comprises 60.4 percent of District expenses. Support services expenses make up 39.6 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	TOTAL COST OF SERVICES 2019	NET COST OF SERVICES 2019
Instruction	$ 16,523,072	$ 13,067,412
Support Services:		
Pupil and Instructional Staff	1,871,238	1,668,266
Board of Education, Administration Fiscal and Business	2,089,794	1,908,506
Operation and Maintenance of Plant	2,429,604	2,314,285
Pupil Transportation	1,303,898	806,841
Other Support Services	356,507	320,176
Operation of Non-Instructional Services	1,168,037	385,147
Unallocated Depreciation	1,046,936	1,046,936
Interest and Fiscal Charges	538,339	538,339
TOTAL EXPENSES	$ 27,327,425	$ 22,055,908

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

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 staff in 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.

The dependence upon tax revenue is apparent. Approximately 51 percent of the costs of the District are supported by tax revenue.

THE SCHOOL DISTRICT'S FUNDS

Information about the School District's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenue of $26,676,390 and expenditures of $26,149,640. The net change in fund increased by $526,750, mainly attributable to the increase in the General Fund of $534,125 and a decrease in the Debt Service Fund of $7,375.

The District had budgeted no change in fund balance.

GENERAL FUND BUDGETING HIGHLIGHTS

The School District 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, 2019 at its June 2018 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 $26,157,789 in revenue but actually received $25,765,268 or a shortfall of $392,521. On the expenditure side of the budget the District was $24,233 over budget. Overall the budget was unfavorable by $416,754.

The School District had anticipated spending $7,672 of the $718,188 fund balance but actually spent $424,426. The fund balance at June 30, 2019 was $293,762 and carried over to the June 30, 2019 budget.

CAPITAL ASSETS

At the end of the fiscal year 2019, the School District had $22,483,467 invested in land, buildings, furniture, equipment and vehicles.

Table 4 shows fiscal 2019 balance compared to 2018.

TABLE 4
CAPITAL ASSETS (NET OF DEPRECIATION) AT JUNE 30

	2019	2018
Land	$ 321,200	$ 321,200
Buildings and Improvements	21,975,430	20,070,744
Furniture and Equipment	134,471	41,710
Site improvements	52,366	57,657
Construction in progress	-	-
TOTAL	$22,483,467	$ 20,491,311

Depreciation amounted to $1,046,936 and capital assets increased by $3,039,092 with the majority of assets being purchased through the capital projects fund.

DEBT ADMINISTRATION

At June 30, 2019, the District had $19,280,265 of total debt. The total consists of general obligation bonds payable of $19,145,000 and capital lease payable of $135,265.

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. Joseph Surridge, Business Administrator of the Riverside School District, Taylor, Pennsylvania.

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 2,189,955	$ 102,521	$ 2,292,476
Investments	0	0	0
Taxes Receivable, Net	0	0	0
Interfund Receivables	171,438	0	171,438
Intergovernmental Receivables	2,890,442	19,517	2,909,959
Inventories	0	10,722	10,722
Other Receivables, Net	592,544	0	592,544
Other current assets	0	0	0
Prepaid Expenses	29,049	0	29,049
Total Current Assets	5,873,428	132,760	6,006,188
NON-CURRENT ASSETS			
Land	321,200	0	321,200
Site improvements	639,938	0	639,938
Building and building improvements	46,241,536	0	46,241,536
Fixtures and equipment	4,979,871	105,567	5,085,438
Accumulated Depreciation	(29,716,001)	(88,553)	(29,804,554)
Total Non-current Assets	22,466,544	17,014	22,483,558
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	5,387,130	0	5,387,130
Deferred amounts related to OPEB	571,557	0	571,557
Unamortized discount on issuance of bonds	43,716	0	43,716
Total Deferred Outflows of Resources	6,002,403	0	6,002,403
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	34,342,375	17,014	34,492,149
LIABILITIES			
CURRENT LIABILITIES			
Interfund Payables	0	171,438	171,438
Accounts Payable	1,090,424	117,098	1,207,522
Accrued Salaries & Benefits	3,574,670	0	3,574,670
Accrued Interest	121,483	0	121,483
Payroll Deductions and Withholdings	120,887	0	120,887
Unearned Revenues	0	4,283	4,283
Other Current Liabilities	0	0	0
Health Insurance Claims Payable	79,467	0	79,467
Current Portion of Capital Lease Payable	57,245	0	57,245
Current Portion of Special Termination Benefits	89,810	0	89,810
Current Portion of Long-Term Obligations	2,030,000	0	2,030,000
Total Current Liabilities	7,163,986	292,819	7,456,805
NON-CURRENT LIABILITIES			
Bonds Payable	17,115,000		17,115,000
Capital Lease Payable	78,020		78,020
Long-Term Portion of Compensated Absences	900,315		900,315
Long-Term Portion of Special Termination Benefits	175,915		175,915
Net Pension Liability	34,660,000		34,660,000
OPEB Obligation	10,400,661	0	10,400,661
Total Non-current Liabilities	63,329,911	0	63,329,911
TOTAL LIABILITIES	70,493,897	292,819	70,786,716
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	1,065,000	0	1,065,000
Deferred amounts related to OPEB	112,582	0	112,582
Unamortized premium on issuance of bonds	283,541	0	283,541
Total Deferred Inflows of Resources	1,348,541	0	1,348,541
NET POSITION			
Invested in capital assets, net of related debt	2,946,454	17,014	2,963,468
Restricted for:			
Capital Projects	619,871		619,871
Debt Service	54,516		54,516
Unrestricted	(41,233,486)	(160,059)	(41,393,545)
TOTAL NET POSITION	$ (37,612,645)	$ (143,045)	$ (37,755,690)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF NET ACTIVITIES
FOR THE YEAR ENDING JUNE 30, 2019

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET ASSETS: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) AND CHANGES IN NET ASSETS: BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES							
INSTRUCTION:							
Regular	$ 12,775,602	$ -	$ 2,084,560	$ -	$ (10,691,042)	$ -	$ (10,691,042)
Special	3,377,249		1,358,865		(2,018,384)		(2,018,384)
Vocational	364,830		0		(364,830)		(364,830)
Other Instructional Programs	127,538		12,235		(115,303)		(115,303)
Adult/Continuing	0		0		0		0
TOTAL INSTRUCTIONAL SERVICES	16,645,219		3,455,660		(13,189,559)		(13,189,559)
SUPPORT SERVICES:							
Pupil Personnel	768,838		74,021		(694,817)		(694,817)
Instructional Staff	701,332		58,223		(643,109)		(643,109)
Administration	1,508,913		135,041		(1,373,872)		(1,373,872)
Pupil Health	420,433		70,728		(349,705)		(349,705)
Business	588,329		46,247		(542,082)		(542,082)
Operation and Maintenance of Plant Services	2,429,604		115,319		(2,314,285)		(2,314,285)
Student Transportation Services	1,303,898		497,057		(806,841)		(806,841)
Central	332,974		36,331		(296,643)		(296,643)
Other Support Services	23,533		0		(23,533)		(23,533)
TOTAL SUPPORT SERVICES	8,077,854		1,032,967		(7,044,887)		(7,044,887)
OPERATION OF NON-INSTRUCTIONAL SERVICES	486,901	69,057	32,697		(385,147)		(385,147)
Unallocated Depreciation	1,046,936				(1,046,936)		(1,046,936)
Interest on Long-Term Debt	538,339		0		(538,339)		(538,339)
TOTAL GOVERNMENTAL ACTIVITIES	26,795,249	69,057	4,521,324		(22,204,868)	0	(22,204,868)
BUSINESS-TYPE ACTIVITIES							
Food Service	681,136	170,855	487,069		0	(23,212)	(23,212)
TOTAL PRIMARY GOVERNMENT	$ 27,476,385	$ 239,912	$ 5,008,393	$ -	$ (22,204,868)	$ (23,212)	$ (22,228,080)
GENERAL REVENUES							
Property taxes, levied for general purposes					13,889,402		13,889,402
Public utility realty, per capita and occupational privilege taxes levied for general purposes					67,783		67,783
Earned income taxes, payments in lieu of taxes, & other proportional assessments					1,556,992		1,556,992
Grants, subsidies and contributions not restricted					5,555,503		5,555,503
Interfund transfers					0	0	0
Investment earnings					30,322	145	30,467
Miscellaneous income					49,219		49,219
TOTAL GENERAL REVENUES					21,149,221	145	21,149,366
Change in Net Position					(1,055,647)	(23,067)	(1,078,714)
NET POSITION, BEGINNING OF YEAR, AS RESTATED					(36,556,998)	(119,978)	(36,676,976)
NET POSITION, END OF YEAR					$ (37,612,645)	$ (143,045)	$ (37,755,690)

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

RIVERSIDE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL	CAPITAL PROJECTS	CAPITAL RESERVES	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	$ 1,309,120	$ 686,914	$ 20,107	$ 54,516	$ 2,070,657
Investments	-	-	-	-	-
Taxes Receivable, Net	-	-	-	-	-
Interfund Receivables	171,438	-	-	-	171,438
Intergovernmental Receivables	2,890,442	-	-	-	2,890,442
Inventories	-	-	-	-	-
Other Receivables, Net	592,544	-	-	-	592,544
Other current assets	-	-	-	-	-
Prepaid Expenses	29,049	-	-	12,666	41,715
TOTAL ASSETS	4,992,593	686,914	20,107	67,182	5,766,796
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Interfund Payables	-	-	-	-	-
Accounts Payable	1,003,274	87,150	-	-	1,090,424
Accrued Salaries & Benefits	3,574,670	-	-	-	3,574,670
Accrued Interest	-	-	-	-	-
Payroll Deductions and Withholdings	120,887	-	-	-	120,887
Unearned Revenues	-	-	-	-	-
Accumulated Compensated Absences	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
TOTAL LIABILITIES	4,698,831	87,150	-	-	4,785,981
FUND BALANCES					
Nonspendable:					
Prepaid expenses	29,049	-	-	12,666	41,715
Restricted for:					
Capital outlays	-	599,764	20,107	-	619,871
Committed for:					
Future debt service	-	-	-	54,516	54,516
Unassigned:					
Unassigned	264,713	-	-	-	264,713
TOTAL FUND BALANCES	293,762	599,764	20,107	67,182	980,815
TOTAL LIABILITIES AND FUND BALANCES	$ 4,992,593	$ 686,914	$ 20,107	$ 67,182	$ 5,766,796

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

RIVERSIDE SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2019

Total Governmental Fund Balance	$ 980,815
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	321,200
Site improvements	639,938
Buildings and building improvements	46,241,536
Furniture and equipment	4,979,871
Construction in progress	0
Accumulated Depreciation	(29,716,001)
Total Capital Assets	22,466,544
Prepaid expenses related to debt service that are recognized in the funds but not in the government wide financial statements	(12,666)
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to OPEB	571,557
Deferred outflows of resources related to pensions	5,387,130
Deferred inflows of resources related to OPEB	(112,582)
Deferred inflows of resources related to pensions	(1,065,000)
Total Deferred Outflows and Inflows of Resources	4,781,105
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Bonds payable	(19,145,000)
Bond premium, net of amortization	(283,541)
Bond discount, net of amortization	43,716
Accrued interest	(121,483)
Capital lease payable	(135,265)
Special Termination Benefits	(265,725)
Net pension liability	(34,660,000)
OPEB Obligation	(10,400,661)
Compensated absences	(900,315)
Total Liabilities	(65,868,274)
Net position of the Internal Service Fund	39,831
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (37,612,645)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDING JUNE 30, 2019

	GENERAL	CAPITAL PROJECTS	CAPITAL RESERVES	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Local Sources	$ 15,966,993	$ 20,005	$ -	$ 1,196	$ 15,988,194
State Sources	9,298,341	-	-	-	9,298,341
Federal Sources	499,934	-	-	-	499,934
TOTAL REVENUES	25,765,268	20,005	-	1,196	25,786,469
EXPENDITURES					
Instructional Services					
Regular	11,751,528	-	-	-	11,751,528
Special	3,198,332	-	-	-	3,198,332
Vocational	364,830	-	-	-	364,830
Other Instructional Programs	119,726	-	-	-	119,726
Instruction-Non-Public	-	-	-	-	-
Instruction-Higher Education	-	-	-	-	-
Adult/Continuing	-	-	-	-	-
Total Instructional Services	15,434,416	-	-	-	15,434,416
Support Services					
Pupil Personnel	702,248	-	-	-	702,248
Instructional Staff	656,202	-	-	-	656,202
Administration	1,407,155	-	-	-	1,407,155
Pupil Health	390,778	-	-	-	390,778
Business	458,694	-	-	97,337	556,031
Operation and Maintenance of plant services	2,251,428	-	-	-	2,251,428
Student Transportation Services	1,303,898	-	-	-	1,303,898
Central	307,601	-	-	-	307,601
Other Support Services	23,533	-	-	-	23,533
Total Support Services	7,501,537	-	-	97,337	7,598,874
Operation of Non-Instructional Services	464,066	-	-	-	464,066
Capital Outlay	8,636	2,921,092	-	-	2,929,728
Debt Service					
Interest	-	-	-	585,280	585,280
Principal	184,353	-	-	1,980,000	2,164,353
TOTAL EXPENDITURES	23,593,008	2,921,092	-	2,662,617	29,176,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,172,260	(2,901,087)	-	(2,661,421)	(3,390,248)
OTHER FINANCING SOURCES (USES)					
Refund of prior years expenditures		-	-	-	-
Proceeds from the sale of bonds	-	-	-	3,730,000	3,730,000
Bond/Note Discount	-	-	-	(49,961)	(49,961)
Refund of prior years receipts	(47,205)	-	-	-	(47,205)
Sale of Fixed Assets	-	-	-	-	-
Operating Transfers In	-	3,500,851	20,107	2,529,374	6,050,332
Operating Transfers Out	(2,549,481)	-	-	(3,500,851)	(6,050,332)
TOTAL OTHER FINANCING SOURCES (USES)	(2,596,686)	3,500,851	20,107	2,708,562	3,632,834
NET CHANGE IN IN FUND BALANCES	(424,426)	599,764	20,107	47,141	242,586
FUND BALANCES-BEGINNING	718,188	-	-	20,041	738,229
FUND BALANCES-ENDING	$ 293,762	$ 599,764	$ 20,107	$ 67,182	$ 980,815

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

RIVERSIDE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2019

Net change in Fund Balances-Total Governmental Funds	$ 242,586
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	3,043,012
Depreciation expense	(1,046,936)
Excess of capital outlay over depreciation expense	1,996,076
Bond proceeds are reported as revenue but the proceeds increases the long term liabilities in the statement of net position.	(3,730,000)
Governmental funds report district pension contributions as expenditures. However in the Statement of Net Activities, the cost of pension related benefits earned net of employee contributions is reported as pension expense:	
District pension contributions	3,257,130
Cost of pension benefits earned, net of employee contributions	(3,478,778)
Total	(221,648)
Net OPEB liability is considered long-term in nature, and is not reported as a liability within the funds. Such a liability is, however, reported with in the statement of net deficit, and changes in the liability is reflected within the statement of net deficit. This represents the change in OPEB liability and the deferred outflows and inflows related to the OPEB.	(727,159)
Repayment of long-term debt and related bond costs is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:	
Bond premium amortization	63,978
Bond discount	49,961
Bond discount amortization	(6,245)
Proceeds from capital lease	(121,920)
Capital lease principal payments	95,350
Bond and note principal payments	1,980,000
	2,061,124
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:	
Net increase in accrued interest	(10,792)
Increase in special termination benefits	(148,960)
Decrease in compensated absences	34,472
	(125,280)
Excess expenditures over revenues of Internal Service Fund	(551,346)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (1,055,647)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET(NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2019

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
REVENUES	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
Local Sources	$ 15,931,527	$15,931,527	$ 15,966,993	$ 35,466
State Sources	9,722,262	9,722,262	9,298,341	(423,921)
Federal Sources	504,000	504,000	499,934	(4,066)
TOTAL REVENUES	26,157,789	26,157,789	25,765,268	(392,521)
EXPENDITURES				
Instructional Services				
Regular	12,350,418	12,350,418	11,751,528	598,890
Special	2,612,025	2,612,025	3,198,332	(586,307)
Vocational	425,000	425,000	364,830	60,170
Other Instructional Programs	52,451	52,451	119,726	(67,275)
Instruction-Non-Public	0	0	0	0
Instruction-Higher Education	0	0	0	0
Adult/Continuing	0	0	0	0
TOTAL INSTRUCTIONAL SERVICES	15,439,894	15,439,894	15,434,416	5,478
Support Services				
Pupil Personnel	1,016,194	1,016,194	702,248	313,946
Instructional Staff	633,622	633,622	656,202	(22,580)
Administration	1,308,323	1,308,323	1,407,155	(98,832)
Pupil Health	443,165	443,165	390,778	52,387
Business	396,875	396,875	458,694	(61,819)
Operation and Maintenance of plant services	2,152,375	2,152,375	2,251,428	(99,053)
Student Transportation Services	1,495,000	1,495,000	1,303,898	191,102
Central	320,421	320,421	307,601	12,820
Other Support Services	38,000	38,000	23,533	14,467
TOTAL SUPPORT SERVICES	7,803,975	7,803,975	7,501,537	302,438
Operation of Non-Instructional Services	603,341	603,341	464,066	139,275
Capital Outlay	0	0	8,636	(8,636)
Debt Service				
Interest	0	0	0	0
Principal	186,199	186,199	231,558	(45,359)
TOTAL EXPENDITURES	24,033,409	24,033,409	23,640,213	393,196
EXCESS (DEFICIENCY) of Revenues OVER EXPENDITURES	2,124,380	2,124,380	2,125,055	675
OTHER FINANCING SOURCES (USES)				
Refund of prior years expenditures	0	0	0	0
Refund of prior years receipts	0	0	0	0
Sale of Fixed Assets	0	0	0	0
Operating Transfers In	0	0	0	0
Operating Transfers Out	(2,087,052)	(2,087,052)	(2,549,481)	(462,429)
Budgetary Reserve	(45,000)	(45,000)	0	45,000
TOTAL OTHER FINANCING SOURCES (USES)	(2,132,052)	(2,132,052)	(2,549,481)	(417,429)
Net Changes in Fund Balances	(7,672)	(7,672)	(424,426)	$ (416,754)
FUND BALANCES-BEGINNING	718,188	718,188	718,188	
FUND BALANCES-ENDING	$ 710,516	$ 710,516	$ 293,762	

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	FOOD SERVICE	INTERNAL SERVICE	TOTAL PROPRIETARY FUNDS
ASSETS			
Cash and Cash Equivalents	$ 102,521	$ 119,298	$ 221,819
Investments	-	-	
Taxes Receivable, Net	-	-	-
Interfund Receivables	-	-	-
Intergovernmental Receivables	19,517	-	19,517
Other Receivables, Net	-	-	-
Inventories	10,722	-	10,722
Prepaid Expenses	-	-	-
Total Current Assets	132,760	119,298	252,058
NON-CURRENT ASSETS			
Fixtures and equipment	105,567	-	105,567
Accumulated depreciation	(88,553)	-	(88,553)
Total Non-current Assets	17,014	-	17,014
TOTAL ASSETS	149,774	119,298	269,072
LIABILITIES			
CURRENT LIABILITIES			
Interfund Payables	171,438	-	171,438
Accounts Payable	117,098	-	117,098
Accrued Salaries & Benefits	-	-	-
Payroll Deductions and Withholdings	-	-	-
Unearned Revenues	4,283	-	4,283
Health insurance claims payable	-	79,467	79,467
Other Current Liabilities	-	-	-
Total Current Liabilities	292,819	79,467	372,286
TOTAL LIABILITIES	292,819	79,467	372,286
NET POSITION			
Invested in Capital Assets, Net of Related Debt	17,014	-	17,014
Unrestricted	(160,059)	39,831	(120,228)
TOTAL NET POSITION	$(143,045)	$ 39,831	$ (103,214)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION-PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2019

	FOOD SERVICE	INTERNAL SERVICE	TOTAL PROPRIETARY FUNDS
OPERATING REVENUE			
Food service revenue	$ 170,855	$ -	$ 170,855
Health insurance contributions	-	2,336,314	2,336,314
OPERATING EXPENSES			
Purchased property services	4,278	-	4,278
Other purchased services	671,878	-	671,878
Other objects	1,150	-	1,150
Depreciation	3,830	-	3,830
Contributions for medical claims expense	-	2,887,998	2,887,998
Total Operating Expenses	681,136	2,887,998	3,569,134
Operating Income(Loss)	(510,281)	(551,684)	(1,061,965)
NON-OPERATING REVENUES (EXPENSES)			
Interfund transfers	-	-	0
Private contributions	-	-	0
Earnings on investments	145	338	483
State sources	21,251	-	21,251
Federal sources	465,818	-	465,818
Total Non-Operating Revenue (Expenses)	487,214	338	487,552
Change in net position	(23,067)	(551,346)	(574,413)
NET POSITION, BEGINNING OF YEAR	(119,978)	591,177	471,199
NET POSITION, END OF YEAR	$ (143,045)	$ 39,831	$ (103,214)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2019

	FOOD SERVICE	INTERNAL SERVICE	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 170,855	$ 2,896,314	$ 3,067,169
Cash payments to suppliers for goods and services	(572,736)	(2,962,832)	(3,535,568)
Cash payments to employees for services	-	-	-
Cash payments for other operating expenses	-	-	-
Net Cash Provided by (used for) Operating Activities	(401,881)	(66,518)	(468,399)
CASH FLOWS FROM NON-CAPITAL FINANCING SOURCES			
Operating transfers	-	-	-
Local sources	-	-	-
State sources	21,408	-	21,408
Federal sources	430,359	-	430,359
Net Cash Provided by (used for) Non-capital Financing Activities	451,767	-	451,767
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Fixed asset purchases	-	-	-
Net Cash Provided by (used for) Capital and Related Financing Activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	145	338	483
Net Cash Provided by (used for) Investing Activities	145	338	483
Net Increase (Decrease) in Cash and Cash Equivalents	50,031	(66,180)	(16,149)
CASH AND CASH EQUIVALENTS, BEG. OF YEAR	52,490	185,478	237,968
CASH AND CASH EQUIVALENTS, END OF YEAR	102,521	119,298	221,819
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:			
Operating Income (Loss)	(510,281)	(551,684)	(1,061,965)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Depreciation	3,830	-	3,830
Other adjustments	40,813	-	40,813
(Increase) decrease in accounts receivable	-	560,000	560,000
(Increase) decrease in inventories	(1,259)	-	(1,259)
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	65,016	(74,834)	(9,818)
Increase (decrease) in interfund loans payable	-	-	-
Increase (decrease) in other current liabilities	-	-	-
Total Adjustments	108,400	485,166	593,566
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (401,881)	$ (66,518)	$ (468,399)

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	PRIVATE PURPOSE TRUST	
	SCHOLARSHIP	AGENCY
ASSETS		
Cash and Cash Equivalents	$ 85,840	$ 97,336
Investments	-	-
TOTAL ASSETS	$ 85,840	$ 97,336
LIABILITIES		
Due to Students	-	97,336
TOTAL LIABILITIES	$ -	$ 97,336
NET POSITION		
Held in Trust for Scholarships	$ 85,840	

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

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDING JUNE 30, 2019

	PRIVATE PURPOSE TRUST SCHOLARSHIP
ADDITIONS	
Investment income	$ 3,639
Contributions	5,498
Total Additions	9,137
DEDUCTIONS	
Scholarships awarded	9,723
Other deductions	1,582
Total Deductions	11,305
Change in net position	(2,168)
NET POSITION, BEGINNING OF YEAR	88,008
NET POSITION, END OF YEAR	$ 85,840

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Riverside School District (the District) located in Taylor, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through 12 to students living in Lackawanna County. These include regular, advanced academic, and vocational education programs, and special education programs for gifted and handicapped children. The District has a nine-member elected school board 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 two buildings.

The accounting policies of Riverside School District conform with generally accepted accounting principles as applicable to governmental units. The District implemented new reporting model standards beginning July 1, 2002. Comparability with reports of all prior years will be affected. The following is a summary of the District's significant accounting policies:

A. REPORTING ENTITY

Consistent with guidance contained in Statement No. 39 of the Governmental Accounting Standards Board (GASB), Determining Whether Organizations are Component Units-an amendment of GASB Statement No. 14, The Financial Reporting Entity, the criteria used by the District to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the District reviews the applicability of the following criteria:

The District is financially accountable for:

* Organizations that make up the District's legal entity.
* Legally separate organizations if District officials appoint a majority of the organization's governing body and the District is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the District as defined below.

  Impose Its Will – If the District can significantly influence the programs, projects or activities of, or the level of services performed or provided by the organization.

  Financial Benefit or Burden – If the District (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to the organization or (3) is obligated in some manner for the debt of the organization.

* Organizations that are fiscally dependent on the District. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the District.

As defined, there are no other related organizations which should be included in the financial statements. The reporting entity will consist solely of the accounts and funds of the District.

B. BASIS OF PRESENTATION, FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which constitutes a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent. The following fund types are used by the District:

GOVERNMENTAL FUND TYPES

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the District's governmental fund types:

GENERAL FUND

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

DEBT SERVICE FUND

The Debt Service Fund accounts for the accumulation of resources, sources for and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts is used to account for debt proceeds and other resources restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPES

Proprietary Fund Types account for operations that are financed and operated in a manner similar to private business enterprises.

FOOD SERVICE FUND

The Food Service Fund accounts for all financial resources associated with the operations of the cafeterias.

INTERNAL SERVICE FUND

The unbudgeted Internal Service Funds account for the financing of services provided by one department to other departments of the District on a cost reimbursement basis. The Health Self-Insurance Program is accounted for as an Internal Service Fund. Operating revenues consist of charges for insurance services. Operating expenses consist mainly of health insurance costs. All other revenues and expenses are reported as non-operating.

FIDUCIARY FUND TYPES (TRUST AND AGENCY FUNDS)

Fiduciary Fund Types account for assets held by a governmental unit in a trustee capacity or as an agent for other funds.

AGENCY FUND

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 following is in the District's agency fund: The Student Activity Fund accounts for programs operated and sponsored by various clubs and organizations.

TRUST FUND

Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The following is in the District's trust fund:
The private purpose trust accounts for scholarship funds for the students.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as the trust and agency fund. The primary government and component unit are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and District general revenues, from business-type activities, generally financed in whole or in part with fees charged for services.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the District's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The financial statements of the District are prepared in accordance with accounting principles generally accepted in the United States of America. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide, proprietary fund and component unit financial statements apply Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues, net of any uncollectible amounts, are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible with the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Property taxes levied but collected beyond 60 days after year-end, are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues. In general, other revenues are recognized when cash is received. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges for services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. 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.

F. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in government funds. Encumbrances at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities but serve as authorization for expenditures in the subsequent year. As of June 30, 2019 the District had no such encumbrances.

G. INTERFUND TRANSACTIONS

Advances between funds are accounted for in the appropriate interfund receivables and payable accounts. Any outstanding amounts (reported in "due from" asset accounts) are considered "available spendable resources". As of June 30, 2019 the outstanding interfund balance was $171,438.

H. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, certificates of deposit and liquid asset funds, are all carried at cost, which approximates fair value.

I. TAXES RECEIVABLE AND UNEARNED TAX REVENUES

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 amount of those and other tax receivables is recorded as unearned tax revenues.

J. INVENTORIES AND PREPAID EXPENSES

Supplies are recorded as expenditures or expenses of all fund types when consumed. Supplies inventories are valued at cost, determined by the first-in, first-out method. Donated inventory is valued at fair value on the date donated.

Prepaid expenses represent the cost of goods and services that has been paid for in advance of receipt. The consumption method is used to account for prepaid expenses in all fund types. Under the consumption method, prepaid expenses are recorded as assets and expended or expensed as the goods or services are received.

Inventories and prepaid expenses in the General Fund are reported as a nonspendable fund balance, which indicates that the amounts do not represent spendable resources and that they are unavailable for appropriation.

K. CAPITAL ASSETS AND DEPRECIATION

The District's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Proprietary fund capital assets are also reported in their fund financial statements. Donated assets are stated at fair value on the date donated. The District generally capitalizes assets with a cost of $5,500 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are generally as follows:

School buildings	40 years
Land improvements & building improvements	20 years
Furniture, fixtures & equipment	5-15 years

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. The capital leases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

M. LIABILITY FOR FUTURE COMPENSATED ABSENCES

The District policies with respect to vacation pay, sick pay and termination severance pay are 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 two hundred accumulated unused sick days.

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

At June 30, 2019 the District had a compensated absence liability of $900,315.

N. PENSION PLAN

Substantially all full-time and part-time employees of the District participates in a cost-sharing multiple employer defined pension plan. The District recognizes annual pension expenditures or expenses equal to its contractually required contributions, subject to the modified accrual basis of accounting in governmental funds. (That is, if contributions from governmental funds are required but not made, the difference would not be reported as an expenditure until payable with expendable, available financial resources.) The District made all required contributions for the year ended June 30, 2019 and has recognized them as expenditures and expenses in the governmental and proprietary funds, respectively.

O. DEFFERED REVENUES

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. On governmental fund financial statements the deferred revenues represent delinquent taxes receivable not collected within 60 days subsequent to the District's year-end. It is expected that these receivables will be collected and included in revenues of future fiscal years.

P. NET POSITION

Net position represents the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Q. ALLOCATION OF INDIRECT EXPENSES

The District does not allocate any indirect expenses including depreciation.

R. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. FUND BALANCES

Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" was implemented during fiscal year 2011. The statement establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications: nonspendable, restricted, committed, assigned, and unassigned.

In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Fund balances are classified as follows:

Nonspendable- Amounts that cannot be spent because they are either in a) nonspendable form or b) legally or contractually required to be maintained in tact.

Restricted- Amounts which can be spent only for specific purposes because of state and federal laws, or externally imposed conditions by grantors or creditors.

Committed- Amounts which can be spent only for specific purposes determined by the Board of Education's formal action through a resolution.

Assigned- Amounts which can be spent only for specific purposes determined by a committee or individual authorized by the Board of Education.

Unassigned- All amounts not included in other spendable classifications.

T. DEFERRED INFLOWS OF RESOURCES

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Asset and Liabilities (GASB 65). Under GASB 65, in addition to liabilities the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents a decrease in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until then. The District has three items that qualify for reporting in this category. The first is the unamortized premium on debt issuance reported in the government-wide financial statement of net position. An unamortized premium results from the difference between the face value of a bond and the price above this face value, at which the bond has been issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the amounts related to the pension that include the difference between actual and projected investment earning and the difference between the District's actual and proportionate share of pension contributions. The third is the amounts related to the OPEB.

U. DEFERRED OUTFLOWS OF RESOURCES

The Government Accounting Standards Board (GASB) has issued Statement No. 65, Items Previously Reported as Asset and Liabilities (GASB 65). Under GASB 65, in addition to assets the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a increase in net position or fund balance that applies to a future period(s) and thus, will not be recognized as an ouflow of resources (expenditure) until then. The District has three items that qualify for reporting in this category. The first is the the unamortized discount on debt issuance reported in the government-wide financial statement of net position. An unamortized discount results from the difference between the face value of a bond and the price below this face value, at which the bond has been issued. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second represents the amounts related to pensions such as the District's contributions for the period subsequent to the measurement date. The third is the amounts related to the OPEB.

V. PENSION LIABILITY

Effective July 1, 2014, the District adopted Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, to be in conformity with generally accepted accounting principles.

Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures in order to improve accounting and financial reporting by governments for pensions. The statement also enhances note disclosure and required supplementary information for government pension plans.

Statement No. 71 establishes standards for recording and reporting contributions made to a defined benefit plan after the measurement date of the government's beginning net pension liability.

W. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The District adopted Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaces the requirements of GASB Statement No. 45, for the year ended June 30, 2018. Statement No. 75 establishes that governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. Additionally, Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures, including a sensitivity analysis of the discount rate and a healthcare cost trend rate assumptions used for the valuation, and required supplementary information about their OPEB liabilities.

X. OTHER ACCOUNTING STANDARDS

The District adopted GASB Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73 for the year ended June 30, 2018. Statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, Statement No. 68, and Statement No. 73. Specifically, Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The adoption of this standard did not have any impact on the District's financial statements.

The District adopted GASB Statement No. 85, Omnibus 2017 for the year ended June 30, 2018. GASB 85 enhances consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. The adoption of this standard did not have a significant impact on the District's financial statements.

The District adopted GASB Statement No. 86, Certain Debt Extinguishment Issues. Statement No. 86 provides additional guidance on the accounting and financial reporting for in-substance defeasance of debt, for prepaid insurance on debt that is extinguished, and notes to financial statements for debt that is defeased in substance. The adoption of this standard did not have any impact on the District's financial statements.

NOTE 2 – CASH AND INVESTMENTS WITH FINANCIAL INSTITUTIONS

At June 30, 2019 the bank balance of the District's deposits with financial institutions including cash equivalent investments was $2,241,511 compared to the carrying amounts of $2,475,652. The total bank balance that was secured by Federal Depository Insurance was $503,958. The remaining bank balance was covered by securities pledged by the financial institutions for such funds but 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 types of 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.

NOTE 3 – REAL ESTATE TAXES

Real estate taxes and taxpayer-assessed taxes are recognized as revenue when available on the modified accrual basis, which means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed sixty days.

The government-wide financial statements recognize real estate tax revenue when the taxes are levied.

The tax on real estate, as levied by the Board, was 121.02 mills ($121.02 per $1,000 of assessed valuation) for fiscal 2019. Assessed valuations of property are determined by the Counties and the elected tax collectors are responsible for collection. The schedule for real estate taxes levied for each fiscal year is as follows:

August 1	-Levy Date
August 1 – September 30	-2% Discount Period
October 1 – November 30	-Face Payment Period
December 1 – December 31	-5% Penalty Period
January 1	-Lien Date

During the year ended June 30, 2010 the District entered into an agreement with Public Asset Management, Inc. (PAM) to sell the delinquent tax claims of the District as of June 30, 2010. The sale included delinquent tax claims for the year ended June 30, 2010 and years prior to that date. PAM obtained a note payable with Mid Penn Bank for the purchase price plus associated fees with the tax claims as collateral. The District shall have the option at anytime on or after the later of (i) the date on which the Mid Penn note is satisfied in full or (ii) the maturity date, to repurchase the unredeemed tax claims still outstanding on the maturity date in exchange for a payment equal to (i) ten percent (10%) of the original amount of the unredeemed tax claims as of the settlement date. The agreement also allows for the purchase of future tax claims of the District with a portion of the proceeds to be utilized to satisfy the outstanding note balance with Mid Penn Bank at the time of sale.

During the year ended June 30, 2019 the District sold the delinquent tax claims accumulated during the year ended June 30, 2019 in the amount of $1,579,844. The district received proceeds of $1,041,160 of which $446,845 was applied to satisfy the outstanding note balance with Mid Penn Bank on the prior year sale and $59,650 was used to pay fees associated with the sale.

NOTE 4 – DUE FROM OTHER GOVERNMENTS

A summary of the receivables due from other governments at June 30, 2019 is as follows:

	GOVERNMENTAL	PROPRIETARY	TOTAL
Federal grants	$ 113,037	$ 18,603	$ 131,640
State subsidies	2,778,319	914	2,779,233
Other	-0-	-0-	-0-
Total Due from Other Governments	$ 2,890,442	$ 19,517	$2,910,873

NOTE 5 – CAPITAL ASSETS

A summary of changes in the capital assets is as follows:

	BALANCE 2018	ADDITIONS	BALANCE 2019
Governmental activities:			
Land & improvements (not depreciated)	$ 321,200	$ -0-	$ 321,200
Buildings & building improvements	43,320,444	2,921,092	46,241,536
Furniture & equipment	4,857,951	121,920	4,979,871
Site improvements	639,938	-0-	639,938
Total Historical Cost	$49,139,533	$3,043,012	$52,182,545
LESS: Accumulated depreciation:			
Buildings & building improvements	$23,249,700	$1,016,406	$24,266,106
Furniture & equipment	4,837,085	25,239	4,862,324
Site improvements	582,281	5,291	587,572
Total Accumulated Depreciation	$28,669,066	$1,046,936	$29,716,002
Governmental Activities, net	$20,470,467	$1,996,076	$22,466,543
Business-type activities:			
Furniture and equipment	$ 105,567	$ -0-	$ 105,567
Accumulated depreciation	(84,723)	(3,830)	(88,553)
Business-type Activities, net	$ 20,844	$ (3,830)	$ 17,014

NOTE 6 – LONG-TERM OBLIGATIONS

The changes in long-term debt obligations payable during fiscal 2019 are as follows:

	BALANCE 7/1/18	ADDITIONS	DELETIONS	BALANCE 6/30/19
General Obligation Bonds/Notes	$ 17,395,000	$ 3,730,000	$ (1,980,000)	$19,145,000
TOTAL	$ 17,395,000	$ 3,730,000	$(1,980,000)	$19,145,000

Total interest paid on the general obligation bonds for the year ended June 30, 2018 was $ 585,280 of which $ 585,280 was funded through appropriations from the debt service fund.

During the year ended June 30, 2002 the District issued General Obligation Bonds, Series of 2002, in the amount of $3,500,000 to provide funds to complete alterations, renovations and improvements to existing School District facilities and to pay certain costs and expenses related to the issuing and insuring of the bonds.

During the year ended June 30, 2005 the District issued General Obligation Bonds, Series of 2005, in the amount of $3,540,000 for the purpose of refunding the General Obligation Bonds, Series of 2002.

During the year ended June 30, 2009 the District issued General Obligation Notes, Series A and B of 2008, in the amount of $3,755,000 for the purpose of refunding the General Obligation Bonds, Series of 2000, refund a portion of the General Obligation Bonds, Series of 2004, refund a portion of the District's General Obligation Bonds, Series of 2005 and refund the School Revenue Bonds, Series of 2006.

During the year ended June 30, 2010 the District issued General Obligation Bonds, Series of 2010 in the amount of $3,060,000 for the purpose of refunding the General Obligation Bonds, Series of 2005.

During the year ended June 30, 2011, the District issued General Obligation Bonds, Series of 2011, in the amount of $1,800,000 for the purpose of providing funds for capital projects of the District as approved by the School Board.

During the year ended June 30, 2014, the District issued General Obligation Notes, Series of 2013, in the amount of $2,540,000 for the purpose of refunding the District's General Obligation Notes, Series A and B of 2008.

During the year ended June 30, 2014, the District issued General Obligation Bonds, Series of 2014, in the amount of $16,410,000 for the purpose of refunding the District's General Obligation Bonds, Series of 2004.

During the year ended June 30, 2017, the District issued General Obligation Bonds, Series of 2016, in the amount of $3,565,000 for the purpose of refunding the District's General Obligation Bonds, Series of 2010 and refunding the District's General Obligation Bonds, Series of 2011.

During the year ended June 30, 2018, the District issued General Obligation Bonds, Series of 2017, in the amount of $1,245,000 for the purpose of refunding a portion of the District's General Obligation Bonds, Series of 2014.

During the year ended June 30, 2019, the District issued General Obligation Bonds, Series of 2018, in the amount of $3,730,000 for the purpose of providing funds for improvements to the existing facilities of the District as approved by the School Board.

The interest rates on the general obligation bonds/notes are as follows:

2013 SERIES – 0.37% to 2.25%	2014 SERIES- 0.15% to 3.35%
2016 SERIES – 0.65% to 2.00%	2017 SERIES- 1.05% to 2.125%
2018 SERIES - 1.85% to 3.00%	

The General Obligation Bonds/Notes will mature as follows:

FISCAL YEAR ENDED JUNE 30,	PRINCIPAL AMOUNT	INTEREST AMOUNT	TOTAL
2020	$ 2,030,000	$ 541,169	$ 2,571,169
2021	2,115,000	470,855	2,585,855
2022	2,130,000	410,295	2,540,295
2023	2,195,000	348,248	2,543,248
2024	2,265,000	210,780	2,475,780
2025-2028	8,410,000	467,601	8,877,601
TOTAL	$ 19,145,000	$ 2,448,948	$21,593,948

NOTE 7 – RETIREMENT PLAN

Summary of Significant Accounting Policies

Pensions

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

General Information about the Pension Plan

Plan Description

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania 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.

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. 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, employees, and the Commonwealth of Pennsylvania.

Member Contributions:
Active members who joined the System prior to July 22, 1983, contribute at 5.25 percent (Membership Class T-C) or at 6.50 percent (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 percent (Membership Class T-C) or at 7.50 percent (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 percent (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5 percent (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 percent (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 percent and 9.5 percent and Membership Class T-F contribution rate to fluctuate between 10.3 percent and 12.3 percent.

Employer Contributions:

The District's contractually required contribution rate for fiscal year ended June 30, 2019 was 32.60 percent 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 $3,257,130 for the year ended June 30, 2019.

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, 2019 the contribution rate was 0.83 percent of covered payroll and the District contributed $82,927.

Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for approximately one-half of the employer contributions made, including contributions related pension and healthcare. The reimbursement recognized by the District for the year ended June 30, 2019 was $1,775,725.

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

At June 30, 2019, the District reported a liability of $34,660,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2017 to June 30, 2018. The 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, 2018, the District's proportion was .0722 percent, which was a decrease of .0012 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of $3,487,000. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 170,000	$ -
Changes in proportion	1,035,000	529,000
Changes in actual experience and expected experience	279,000	536,000
Changes in assumptions	646,000	
Contributions subsequent to the measurement date	3,257,130	
	$ 5,387,130	$1,065,000

The $3,257,130 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2020	$ 810,000
2021	564,000
2022	(177,000)
2023	(132,000)
	$ 1,065,000

Actuarial Assumptions

The total pension liability as of June 30, 2018 was determined by rolling forward the System's total pension liability as of the June 30, 2017 actuarial valuation to June 30, 2018 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.

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.

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. 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 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	$ 42,963,000	$34,660,000	$ 27,639,000

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.

Payables to the Pension Plan

At June 30, 2019, the District had an accrued balance due to PSERS of $1,687,744. This amount represents the District's contractually obligated contributions for wages earned in January 2019 through June 30, 2019. The balance will be paid in September 2019.

NOTE 8 – CONTINGENT LIABILITIES

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.

The District is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the District solicitor, the ultimate disposition of any matters outstanding at June 30, 2019 will not have a material effect on the District's financial position.

NOTE 9 – RISK MANAGEMENT

Other Risks

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased various insurance policies to safeguard the assets of the District from risk of loss.

NOTE 10-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.

The following summarizes the changes in special termination benefits in 2019:

Balance @ July 1, 2018	$123,966
Additions	293,852
Payments	(123,966)
Balance @ June 30, 2019	$293,852
Less: Unamortized discount	28,157
Present value of special termination benefits	265,725
Less: Current portion	89,810
Long-Term portion of special termination benefits	$175,915

The District normally pays special termination benefits from the General Fund.

NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENISONS (OPEB)

RIVERSIDE SCHOOL DISTRICT POSTEMPLOYMENT BENEFITS PLAN

Plan Description and Benefits Provided

The District's collective bargaining agreements with its employees provides 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, and dental benefits. The plan is unfunded and no financial report is prepared. These benefits are accounted for in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.* Retired employees who are eligible under the above requirements and choose to participate in the medical plan pay 100% of the composite rate cost of such coverage.

Employees Covered by Benefit Terms

At July 1, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	7
Inactive employees entitled to but not yet receiving benefit payments - Active employees	154
Total	161

Funding Policy

The contribution requirements of plan members and the School District are established and may be amended by the School Board. The plan is funded on a pay-as-you-go basis, i.e., premiums are paid annually to fund the health care benefits provided to current retirees. The District is responsible for 100% of the premiums.

Total OPEB Liability

The District's total OPEB liability of $8,895,661 was measured as of July 1, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Interest rate	2.98%
Salary increases	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%
Discount rate	2.98%
Healthcare cost trend rates	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
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate

The discount rate was based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2018.

For mortality rates, separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2018	$ 8,221,867
Changes for the year:	
Service cost	593,121
Interest	273,251
Changes in assumptions or other inputs	(35,821)
Benefit payments	(156,757)
Net changes	673,794
Balance at June 30, 2019	$ 8,895,661

Changes in assumptions or other inputs reflect a change in the discount rate from 3.13% in 2018 to 2.98% in 2019.

(NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

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 (1.98%) or 1-percentage-point higher (3.98%) than the current discount rate:

	1% Decrease (1.98%)	Discount Rate (2.98%)	1% Increase (3.98%)
Total OPEB Liability	$ 9,815,437	$ 8,895,661	$ 8,029,836

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 7,390,640	$ 8,895,661	$ 10,742,037

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

For the year ended June 30, 2019, the District recognized OPEB expense of $881,706. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 246,023	$ 33,582
Benefit payments subsequent to the measurement date (July 1, 2018)	148,607	
	$ 394,630	$ 33,582

(NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 7,390,640	$ 8,895,661	$ 10,742,037

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

For the year ended June 30, 2019, the District recognized OPEB expense of $881,706. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	$ 246,023	$ 33,582
Benefit payments subsequent to the measurement date (July 1, 2018)	148,607	
	$ 394,630	$ 33,582

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

2020	$	15,334
2021		15,334
2022		15,334
2023		15,334
2024		15,334
Thereafter		135,771
	$	212,441

PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PROGRAM

General Information about the PSERS Health Insurance Premium Assistance Program

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

Premium Assistance Eligibility Criteria

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

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2019 was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to PSERS from the District were $82,927 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of $1,505,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2017 to June 30, 2018. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2018, the District's proportion was .0722%, which was an decrease of .0012% from its proportion measured as of June 30, 2017. For the year ended June 30, 2019, the District recognized OPEB expense of $78,000. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 24,000	$ 57,000
Net differences between projected and actual investment earnings	3,000	
Difference between expected and actual experience	9,000	
Changes in proportion	58,000	$ 22,000
District contributions subsequent to the measurement date	82,927	
	$ 176,927	$ 79,000

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

(NOTE 12 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

2020	$	3,000
2021		3,000
2022		3,000
2023		2,000
2024		2,000
Thereafter		2,000
	$	15,000

Actuarial Assumptions

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

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

The following assumptions were used to determine the contribution rate:

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

(NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

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

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

OPEB-Asset Class	Target Allocation	Expected Real Rate of Return
Cash	76.4%	0.6%
Fixed Income	23.6%	1.5%
	100.0%	

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

Discount Rate

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

Sensitivity of PSERS Net OPEB Liability to Change in Healthcare Cost Trend Rates

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

(NOTE 11 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)-CONTINUED)

The following presents PSERS net OPEB liability for June 30, 2018, calculated using current Healthcare cost trends as well as what PSERS net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Trends Cost	1% Increase
PSERS Net OPEB Liability	$ 1,505,000	$ 1,505,000	$ 1,506,000

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

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

	1 % Decrease 1.98%	Discount Rate 2.98%	1% Increase 3.98%
PSERS proportionate share of the net OPEB liability	$ 1,712,000	$ 1,505,000	$ 1,334,000

OPEB Plan Fiduciary Net Position

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

NOTE 12 – SELF-FUNDED MEDICAL INSURANCE PLAN

The District is self-insured for healthcare claims. At June 30, 2019, the District carried a stop loss policy limiting its liability for any one specific claim to $75,000. The policy also has an aggregate excess loss with a minimum annual aggregate deductible of $3,613,272 and a maximum aggregate benefit (excess of annual aggregate deductible) of $1,000,000 and a specific excess loss with a specific deductible of $75,000 and an unlimited maximum specific benefit (per person in excess of specific deductible). During the year ended June 30, 2018, employees of the District were covered by the District's medical self-insurance plan. The District contributed $2,336,314 to the plan during the year ended June 30, 2019. Claims were paid by a third party administrator acting on behalf of the District.

NOTE 13-CAPITAL LEASES

The District entered into a capital lease for the purchase of computers. The total cost was $136,864. The capital lease has an interest rate of 5.70% and requires an annual payment of $37,188 which includes principal and interest. The lease matures in July 2018. The outstanding balance at June 30, 2019 was $0.

The District entered into a capital lease for the purchase of computers. The total cost was $49,190. The capital lease has an interest rate of 5.26% and requires an annual payment of $13,260 which includes principal and interest. The lease matures in July 2019. The outstanding balance at June 30, 2018 was $12,596.

The District entered into a capital lease for the purchase of computers. The total cost was $66,981. The capital lease has an interest rate of 5.26% and requires an annual payment of $17,981 which includes principal and interest. The lease matures in July 2020. The outstanding balance at June 30, 2019 was $33,451.

The District entered into a capital lease for the purchase of computers. The total cost was $121,920. The capital lease has an interest rate of 5.26% and requires an annual payment of $32,704 which includes principal and interest. The lease matures in July 2021. The outstanding balance at June 30, 2019 was $89,217.

The following is a summary of future minimum lease payments required under these capital leases along with the present value of the net minimum lease payments as of June 30, 2019:

YEAR ENDING JUNE 30	AMOUNT
2020	$ 63,944
2021	50,685
2022	32,704
Total Minimum lease payments	147,333
LESS: Amounts representing interest	12,069
Present value of net minimum lease payments	135,264
Current Portion	57,245
Long-Term Portion	$ 78,019

Total interest paid on the capital leases for the year ended June 30, 2019 was $5,781 of which $5,781 was funded through appropriations from the general fund.

REQUIRED

SUPPLEMENTARY INFORMATION

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PENSION LIABILITY

Last Ten (10) Fiscal Years*

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.0722%	0.0734%	0.0696%	0.0697%	0.0706%	0.0718%
District's proportionate share of the net pension liability	$34,660,000	$36,251,000	$34,492,000	$30,191,000	$27,944,000	$ 29,392,000
District's covered-employee payroll	$ 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	356.43%	370.71%	382.47%	336.71%	310.09%	319.16%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	51.84%	50.14%	54.35%	57.24%	54.49%

*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.

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

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
PENSION PLAN

Last Ten (10) Fiscal Years*

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30,2014
Contractually required contribution	$ 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	$ (3,257,130)	$ (3,058,778)	$ (2,868,842)	$ (2,182,377)	$ (1,780,825)	$ (1,384,180)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 9,724,201	$ 9,778,716	$ 9,018,188	$ 8,966,560	$ 8,686,951	$ 9,011,436
Contributions as a percentage of covered-employee payroll	33.5%	31.3%	31.8%	24.3%	20.5%	15.4%

Amounts are based on actual contibutions 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.

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

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE OPEB LIABILITY

	2019	2018	2017
District's proportion of the net OPEB liability	0.0722%	0.0734%	0.0696%
District's proportionate share of the net OPEB liability	$ 1,505,000	$ 1,495,000	$ 1,499,000
District's covered-employee payroll	9,724,201	9,778,716	9,018,188
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	15.5%	15.3%	16.6%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Note: Data is not available for years prior to June 30, 2017

Note: Covered-employee payroll above represents the amount for the year coinciding with the measurement date

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

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
OPEB

Last Ten (10) Fiscal Years*

	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	$ 82,927	$ 79,987	$ 81,546
Contributions in relation to the contractually required contribution	$ (82,927)	$ (79,987)	$ (81,546)
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	9,724,201	9,778,716	9,018,188
Contributions as a percentage of covered-employee payroll	0.85%	0.82%	0.90%

Amounts are based on actual contibutions 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.

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

RIVERSIDE SCHOOL DISTRICT

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

	2019	2018
Total OPEB Liability		
Service Cost	$ 593,121	$ 591,695
Interest Cost	273,251	194,566
Changes of assumptions	(35,821)	281,169
Benefit payments, including refunds of member contributions	(156,757)	(147,884)
Net Change in Total OPEB liability	673,794	919,546
Total OPEB Liability, Beginning	8,221,867	7,302,321
Total OEPB Liability, Ending	8,895,661	8,221,867
Covered-employee Payroll	$ 8,810,264	$ 8,810,264
Total OPEB Liability as a percentage of covered-employee payroll	100.97%	93.32%

The District implemented GASB Statement No. 75 during its year ended June 30, 2018. Information prior to 2018 year is not available.

Notes:

Changes of Assumptions

The discount rate changed from 3.13% to 2.98%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

Changes in Benefit Terms

Each year's loss (or gain) is recognized over a closed period,using the average of the expected remaining service lives of all active and inactive employees that are currently receiving a benefit may be eligible to receive a benefit in the future.

These figures are based on estimated benefit payments. These amounts may be adjusted for actual benefit payments made during the year.

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

SUPPLEMENTARY INFORMATION

OTHER FINANCIAL STATEMENTS

RIVERSIDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND UNRESERVED FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDING JUNE 30, 2019

	SCHEDULE	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Local Sources	1	$ 15,931,527	$ 15,966,993	$ 35,466	$ 15,489,256
State Sources	2	9,722,262	9,298,341	(423,921)	9,431,890
Federal Sources	3	504,000	499,934	(4,066)	510,244
Refund of prior years expenditures		0	0	0	0
TOTAL REVENUES		26,157,789	25,765,268	(392,521)	25,431,390
EXPENDITURES					
1100-INSTRUCTION- Regular Programs	4	12,350,418	11,751,528	598,890	11,966,348
1200-INSTRUCTION- Special Programs	5	2,612,025	3,198,332	(586,307)	3,247,143
1300-VOCATIONAL EDUCATION	6	425,000	364,830	60,170	411,841
1400-OTHER INSTRUCTIONAL PROGRAMS-E/S	7	52,451	119,726	(67,275)	108,424
1500-INSTRUCTION-Non-Public	8	0	0	0	1,736
1600-INSTRUCTION-Adult Education Programs	9	0	0	0	0
1700-INSTRUCTION-Higher Ed	10	0	0	0	0
2100-SUPPORT SERVICES Pupil Personnel	11	1,016,194	702,248	313,946	764,148
2200-SUPPORT SERVICES Instructional Staff	12	633,622	656,202	(22,580)	515,071
2300-SUPPORT SERVICES Administration	13	1,308,323	1,407,155	(98,832)	1,380,584
2400-SUPPORT SERVICES Pupil Health	14	443,165	390,778	52,387	352,166
2500-SUPPORT SERVICES Business	15	396,875	458,694	(61,819)	384,295
2600-SUPPORT SERVICES Operation and Maintenance of plant services	16	2,152,375	2,251,428	(99,053)	2,228,072
2700-SUPPORT SERVICES Student Transportation Services	17	1,495,000	1,303,898	191,102	1,295,538
2800-SUPPORT SERVICES Central	18	320,421	307,601	12,820	316,299
2900-SUPPORT SERVICES Other Support Services	19	38,000	23,533	14,467	35,718
3200-OPERATION OF NONIN-STRUCTIONAL SERVICES-STUDENT ACTIVITIES	20	597,541	458,374	139,167	438,832
3300-COMMUNITY SERVICES	21	5,800	5,692	108	3,804
4000-FACILITIES ACQUISITION, CONSTRUCTION & IMPROVE-MENT SERVICES	22	0	8,636	(8,636)	0
5100-DEBT SERVICE	23	186,199	231,558	(45,359)	181,557
5200-FUNDS TRANSFER	24	2,087,052	2,549,481	(462,429)	1,265,689
5900-BUDGETARY RESERVE		45,000	0	45,000	0
		26,165,461	26,189,694	(24,233)	24,897,265
EXCESS (EXPENDITURES) OVER REVENUES		$ (7,672)	$ (424,426)	$ (416,754)	$ 534,125
FUND BALANCES-BEGINNING			718,188		184,063
FUND BALANCES-ENDING			$ 293,762		$ 718,188

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

SCHEDULE 1

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUE FROM LOCAL SOURCES				
Current real estate taxes	$ 12,983,027	$ 12,939,288	$ (43,739)	$ 12,481,874
Public utility realty tax	16,000	14,332	(1,668)	14,220
Payments in lieu of taxes	17,000	18,582	1,582	19,190
Occupation tax	60,000	53,451	(6,549)	50,413
Earned income tax	1,350,000	1,477,995	127,995	1,397,030
Real estate transfer taxes	265,000	404,947	139,947	138,687
Delinquent taxes	750,000	545,167	(204,833)	930,817
Earnings on investments	6,000	8,783	2,783	8,016
Other taxes	40,000	60,415	20,415	39,613
Rentals	3,500	2,148	(1,352)	5,128
Tuition	45,000	0	(45,000)	0
Student activities	35,000	69,057	34,057	40,722
Receipts from intermediate services	358,000	278,552	(79,448)	326,089
Miscellaneous	3,000	94,276	91,276	37,457
	$ 15,931,527	$ 15,966,993	$ 35,466	$ 15,489,256

SCHEDULE 2

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUE FROM STATE SOURCES				
Basic instructional subsidy	$ 5,098,295	$ 5,091,532	$ (6,763)	$ 5,040,716
Section 1305 & 1306	0	0	0	0
Migratory children	0	0	0	0
Homebound instruction	0	0	0	0
Driver education	1,500	1,050	(450)	875
Special education of exceptional			0	
pupils	839,599	818,098	(21,501)	814,659
Transportation	483,700	497,057	13,357	530,558
Rentals and sinking fund payments	486,385	0	(486,385)	372,993
Health services	29,000	28,266	(734)	27,188
Revenue for technology	0	0	0	0
Property tax relief payments	463,971	463,971	0	463,005
Extra grants	0	27,679	27,679	16,449
Revenue for social security	391,780	372,806	(18,974)	362,216
Revenue for retirement	1,705,875	1,775,725	69,850	1,581,074
PA accountability	0	0	0	0
Ready to learn	222,157	222,157	0	222,157
Charter school	0	0	0	0
	$ 9,722,262	$ 9,298,341	$ (423,921)	$ 9,431,890

SCHEDULE 3

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUE FROM FEDERAL SOURCES				
Title I	$ 430,000	$ 400,893	$ (29,107)	$ 401,742

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

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
Title II	69,000	63,762	(5,238)	66,829
Title IV	0	28,164	28,164	0
IDEA-ARRA	0	0	0	0
Drug free schools	0	0	0	0
ARRA-Fiscal Stabilization	0	0	0	0
Medical assistance	5,000	6,027	1,027	31,528
Education Jobs Fund	0	0	0	0
Other grants	0	1,088	1,088	10,145
	$ 504,000	$ 499,934	$ (4,066)	$ 510,244

SCHEDULE 4

1100-INSTRUCTION-REGULAR PROGRAMS				
Salaries	$ 6,408,745	$ 6,407,803	$ 942	$ 6,227,213
Employee benefits	4,806,352	4,062,818	743,534	4,667,556
Purchased professional and technical services	238,049	209,484	28,565	166,302
Purchased property services	17,300	5,773	11,527	3,623
Other purchased services	453,910	828,810	(374,900)	649,906
Supplies	397,618	219,881	177,737	231,919
Property	19,300	11,306	7,994	9,980
Other objects	9,144	5,653	3,491	9,849
	$ 12,350,418	$ 11,751,528	$ 598,890	$ 11,966,348

SCHEDULE 5

1200-INSTRUCTION-SPECIAL PROGRAMS				
Salaries	$ 926,483	$ 1,224,332	$ (297,849)	$ 1,214,596
Employee benefits	600,369	721,517	(121,148)	703,899
Purchased professional and technical services	968,100	1,192,037	(223,937)	1,218,947
Purchased property services	0	0	0	185
Other purchased services	103,500	28,128	75,372	80,427
Supplies	9,394	23,062	(13,668)	28,478
Property	3,759	0	3,759	0
Other objects	420	9,256	(8,836)	611
	$ 2,612,025	$ 3,198,332	$ (586,307)	$ 3,247,143

SCHEDULE 6

1300-VOCATIONAL EDUCATION PROGRAMS				
Salaries	$ -	$ -	$ -	$ -
Employee benefits	0	0	0	0
Purchased professional and technical services	0	0	0	0
Other purchased services	425,000	364,830	60,170	411,841
Property	0	0	0	0
Other objects	0	0	0	0
	$ 425,000	$ 364,830	$ 60,170	$ 411,841

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

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
			SCHEDULE 7	
1400-OTHER INSTRUCTIONAL PROGRAMS-E/S				
Salaries	$ 23,485	$ 53,455	$ (29,970)	$ 56,063
Employee benefits	21,966	34,138	(12,172)	34,704
Purchased professional and technical services	6,500	30,533	(24,033)	16,157
Purchased property services	0	0	0	0
Other purchased services	500	1,500	(1,000)	1,500
Supplies	0	100	(100)	0
Property	0	0	0	0
Other objects	0	0	0	0
	$ 52,451	$ 119,726	$ (67,275)	$ 108,424
			SCHEDULE 8	
1500-INSTRUCTION-NON-PUBLIC PROGRAMS				
Purchased professional and technical services	$ - 0	$ - 0	$ - 0	$ - 1,736
	$ -	$ -	$ -	$ 1,736
			SCHEDULE 9	
1600-INSTRUCTION-ADULT EDUCATION PROGRAMS	$ -	$ -	$ -	$ -
			SCHEDULE 10	
1700-INSTRUCTION-HIGHER EDUCATION	$ -	$ -	$ -	$ -
TOTAL INSTRUCTION	$ 15,439,894	$ 15,434,416	$ 5,478	$ 15,735,492
			SCHEDULE 11	
2100-SUPPORT SERVICES-PUPIL PERSONNEL				
Salaries	$ 581,064	$ 353,746	$ 227,318	$ 394,788
Employee benefits	421,665	330,029	91,636	353,132
Purchased professional and technical services	6,200	13,225	(7,025)	11,039
Purchased property services	650	0	650	0
Other purchased services	1,155	281	874	788
Supplies	5,251	4,747	504	3,861
Property	0	0	0	0
Other objects	209	220	(11)	540
	$ 1,016,194	$ 702,248	$ 313,946	$ 764,148

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

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
			SCHEDULE 12	
2200-SUPPORT SERVICES-INSTRUCTIONAL SERVICES				
Salaries	$ 255,859	$ 278,250	$ (22,391)	$ 221,820
Employee benefits	207,903	206,983	920	182,931
Purchased professional and technical services	38,533	7,177	31,356	5,860
Purchased property services	38,500	23,125	15,375	25,822
Other purchased services	3,125	3,820	(695)	1,563
Supplies	81,202	132,398	(51,196)	67,581
Property	4,000	0	4,000	3,648
Other objects	4,500	4,449	51	5,846
	$ 633,622	$ 656,202	$ (22,580)	$ 515,071
			SCHEDULE 13	
2300-SUPPORT SERVICES-ADMINISTRATION				
Salaries	$ 623,750	$ 645,365	$ (21,615)	$ 643,884
Employee benefits	479,623	486,527	(6,904)	492,415
Purchased professional and technical services	96,300	128,796	(32,496)	151,549
Purchased property services	0	0	0	0
Other purchased services	68,750	85,434	(16,684)	64,357
Supplies	22,200	26,763	(4,563)	18,954
Property	0	0	0	0
Other objects	17,700	34,270	(16,570)	9,425
	$ 1,308,323	$ 1,407,155	$ (98,832)	$ 1,380,584
			SCHEDULE 14	
2400-SUPPORT SERVICES-PUPIL HEALTH				
Salaries	$ 181,000	$ 202,929	$ (21,929)	$ 177,084
Employee benefits	254,765	179,356	75,409	164,705
Purchased professional and technical services	1,200	4,763	(3,563)	5,920
Purchased property services	0	0	0	0
Other purchased services	100	0	100	0
Supplies	6,100	3,354	2,746	4,457
Property	0	0	0	0
Other objects	0	376	(376)	0
	$ 443,165	$ 390,778	$ 52,387	$ 352,166
			SCHEDULE 15	
2500-SUPPORT SERVICES-BUSINESS				
Salaries	$ 185,000	$ 221,015	$ (36,015)	$ 169,508
Employee benefits	157,275	179,053	(21,778)	160,325
Purchased professional and technical services	40,000	51,251	(11,251)	45,241

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
Purchased property services	0	0	0	0
Other purchased services	7,000	1,288	5,712	2,364
Supplies	3,600	1,334	2,266	2,693
Property	1,500	0	1,500	0
Other objects	2,500	4,753	(2,253)	4,164
	$ 396,875	$ 458,694	$ (61,819)	$ 384,295

SCHEDULE 16

2600-SUPPORT SERVICES-OPERATION OF PLANT SERVICES	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
Salaries	$ 593,400	$ 551,110	$ 42,290	$ 598,683
Employee benefits	510,385	474,093	36,292	518,352
Purchased professional and technical services	77,000	54,007	22,993	68,216
Purchased property services	196,500	512,150	(315,650)	494,933
Other purchased services	210,940	207,721	3,219	183,980
Supplies	491,000	448,026	42,974	259,232
Property	71,650	3,642	68,008	103,612
Other objects	1,500	679	821	1,064
	$ 2,152,375	$ 2,251,428	$ (99,053)	$ 2,228,072

SCHEDULE 17

2700-SUPPORT SERVICES-STUDENT TRANSPORTATION SERVICES	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
Salaries	$ -	$ -	$ -	$ -
Employee benefits	0	3,663	(3,663)	3,794
Purchased professional and technical services	0	0	0	0
Other purchased services	1,495,000	1,300,235	194,765	1,291,744
Supplies	0	0	0	0
Property	0	0	0	0
Other objects	0	0	0	0
	$ 1,495,000	$ 1,303,898	$ 191,102	$ 1,295,538

SCHEDULE 18

2800-SUPPORT SERVICES-CENTRAL	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
Salaries	$ 161,902	$ 173,630	$ (11,728)	$ 172,776
Employee benefits	117,199	119,065	(1,866)	118,907
Purchased professional and technical services	2,000	0	2,000	0
Purchased property services	2,000	2,341	(341)	0
Other purchased services	3,200	2,879	321	11,320
Supplies	24,220	9,361	14,859	12,981
Property	9,400	0	9,400	0
Other objects	500	325	175	315
	$ 320,421	$ 307,601	$ 12,820	$ 316,299

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

	BUDGET	2019 ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
			SCHEDULE 19	
2900-SUPPORT SERVICES-OTHER				
Other purchased services	$ 38,000	$ 23,533	$ 14,467	$ 35,718
TOTAL SUPPORT SERVICES	$ 7,803,975	$ 7,501,537	$ 302,438	$ 7,271,891

			SCHEDULE 20	
3200-OPERATION OF NONINSTRUCTIONAL SERVICES STUDENT ACTIVITIES				
Salaries	$ 267,138	$ 156,259	$ 110,879	$ 123,375
Employee benefits	112,760	65,956	46,804	51,872
Purchased professional and technical services	43,415	75,108	(31,693)	71,487
Purchased property services	21,150	3,440	17,710	3,380
Other purchased services	73,425	48,135	25,290	111,908
Supplies	70,462	90,245	(19,783)	69,625
Property	0	9,342	(9,342)	0
Other objects	9,191	9,889	(698)	7,185
	$ 597,541	$ 458,374	$ 139,167	$ 438,832

			SCHEDULE 21	
3300-OPERATION OF NONINSTRUCTIONAL SERVICES COMMUNITY SERVICES				
Salaries	$ -	$ -	$ -	$ -
Employee benefits	0	0	0	0
Purchased professional and technical services	5,800	3,480	2,320	2,100
Purchased property services	0	0	0	0
Other purchased services	0	515	(515)	581
Supplies	0	1,697	(1,697)	1,123
	$ 5,800	$ 5,692	$ 108	$ 3,804

			SCHEDULE 22	
4000-FACILITIES ACQUISITION, CONSTRUCTION CONSTRUCTION & IMPROVEMENT SERVICES	$ -	$ 8,636	$ (8,636)	$ -

			SCHEDULE 23	
5100-DEBT SERVICE				
Other objects	$ 186,199	$ 231,558	$ (45,359)	$ 181,557

			SCHEDULE 24	
5200-FUNDS TRANSFER				
Other objects	$ 2,087,052	$ 2,549,481	$ (462,429)	$ 1,265,689

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

MURPHY, DOUGHERTY & COMPANY

Certified Public Accountants

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MICHAEL DOUGHERTY, CPA

PAUL T. MURPHY, CPA
LEAH C. ROSENKRANS, CPA

March 2, 2020

Board of Education
Riverside School District
Taylor, Pennsylvania

To the Members of the Board:

We have performed the Single Audit of the Riverside School District for the year ended June 30, 2019, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance. It entailed:

1. An audit of the general purpose financial statements and our opinion thereon;
2. A review of compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards;
3. An audit of the Schedule of Expenditures of Federal Awards and our opinion thereon;
4. A review of compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance.

Please be advised that a management letter was not necessary as part of our report.

One copy of the Audit Report was distributed to:

a) Federal Audit Clearinghouse
Bureau of the Census
1201 E. 10th Street
Jeffersonville, IN 47132

b) Court of Common Pleas
Lackawanna County
Scranton, Pennsylvania
18503

c) N.E.I.U. # 19
1200 Line Street
Archbald, Pennsylvania 18403

One copy of the Audit Report was electronically submitted to:

a) Commonwealth of Pennsylvania
   Bureau of Audits
   Special Audit Services Division
   Forum Place-8th Floor
   555 Walnut Street
   Harrisburg, Pennsylvania 17101

Your cooperation in this matter is appreciated.

Very truly yours,

Murphy, Dougherty & Company
Certified Public Accountants

MD/mm

MURPHY, DOUGHERTY & COMPANY
Certified Public Accountants

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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"

Board of Education
Riverside School District
Taylor, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Riverside School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Riverside School District's basic financial statements and have issued our report thereon dated March 2, 2020. Our opinion was not modified with respect to this matter.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Riverside School 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.

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 Riverside School District's financial statements are free of 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 Riverside School District'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 Riverside School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moscow, Pennsylvania
March 2, 2020

MURPHY, DOUGHERTY & COMPANY
Certified Public Accountants

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

Board of Education
Riverside School District
Taylor, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Riverside School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Riverside School District's major federal programs for the year ended June 30, 2019. Riverside School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Riverside School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

Our consideration of the 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.

Purpose of this Report

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moscow, Pennsylvania
March 2, 2020

Murphy, Dougherty & Co., LLP

RIVERSIDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	____ yes __X__ no
Significant deficiency (ies) identified?	____ 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?	____ yes __X__ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ yes __X__ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.010	Title I

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

Auditee qualified as low risk auditee? __X__ yes ____ no

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

RIVERSIDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING JUNE 30, 2019

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATE	PROGRAM OR AWARD AMOUNT	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT 7/1/2018	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED OR (DEFERRED) REVENUE AT 6/30/2019
U.S. DEPARTMENT OF EDUCATION										
Passed through the Pennsylvania Department of Education										
ESEA, Title I Grant	I	84.010	013-180363	7/1/17-9/30/18	$ 401,742	$ 131,824	$ 131,824	$ -	$ -	$ -
ESEA, Title I Grant	I	84.010	013-190363	7/1/18-9/30/19	400,893	294,009	0	400,893	400,893	106,884
Total CFDA # 84.010					802,635	425,833	131,824	400,893	400,893	106,884
Title II-Improving Teacher Quality	I	84.367	020-190363	7/1/18-6/30/19	63,762	59,556	-	63,762	63,762	4,206
Total CFDA # 84.367					63,762	59,556	-	63,762	63,762	4,206
Title IV-SSAE	I	84.424	144-190363	7/1/18-6/30/19	29,171	25,281	0	28,164	28,164	2,883
TOTAL PASSED THROUGH PENNSYLVANIA DEPARTMENT OF EDUCATION					895,568	510,670	131,824	492,819	492,819	113,973
Passed through the N.E.I.U. # 19										
Individuals with Disabilities Educ. Act	I	84.027	N/A	7/1/17-6/30/18	325,000	325,000	325,000	-	-	-
Individuals with Disabilities Educ. Act	I	84.027	N/A	7/1/18-6/30/19	278,552	278,552	-	278,552	278,552	-
Total IDEA Cluster					603,552	603,552	325,000	278,552	278,552	-
TOTAL N.E.I.U. # 19					603,552	603,552	325,000	278,552	278,552	-
TOTAL DEPARTMENT OF EDUCATION					1,499,120	1,114,222	456,824	771,371	771,371	113,973
U.S. DEPARTMENT OF AGRICULTURE										
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program-Commodities	I	10.555	N/A	7/1/18-6/30/19	N/A	(a) 37,660	(b) (4,916)	38,293	38,293	(d) (4,283)
Passed through the Pennsylvania Department of Education										
National School Lunch Program-Cash	I	10.555	N/A	7/1/18-6/30/19	N/A	340,852	16,764	338,428	338,428	14,340
Total CFDA# 10.555						378,512	11,848	376,721	376,721	10,057
National School Breakfast Program	I	10.553	N/A	7/1/18-6/30/19	N/A	90,139	5,305	89,097	89,097	4,263
Total Child Nutrition Cluster					N/A	468,651	17,153	465,818	465,818	14,320
TOTAL DEPARTMENT OF AGRICULTURE					N/A	468,651	17,153	465,818	465,818	14,320
TOTAL FEDERAL AWARDS					$ 1,499,120	$ 1,582,873	$ 473,977	$ 1,237,189	$ 1,237,189	$ 128,293

SOURCE CODES: D - Direct Funding
I - Indirect Funding

I

FOOTNOTES:(a) Total commodities received from Department of Agriculture.
(b) Beginning inventory at July 1.
© Total amount of commodities used.
(d) Ending inventory at June 30.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Riverside School District located in Taylor, Pennsylvania is a school district mandated by the Pennsylvania Department of Education. The District provides educational services to children in Grades K-12.

A. REPORTING ENTITY

The reporting entity has been defined in accordance with the criteria established in GASB Statement No. 14, "The Financial Reporting Entity". The specific criteria used is as follows: a) financial interdependency; b) selection of governing authority; c) designation of management; d) ability to significantly influence operations;
e) accountability for fiscal matters; f) scope of public service and g) special financing relationships.

As defined, there are no other related organizations which should be included in the financial statements. The reporting entity will consist solely of the accounts and funds of the District.

B. BASIS OF ACCOUNTING

This financial statement has been prepared on the modified basis of accounting except for the National School Lunch Program which uses the full accrual method.

C. INVENTORY OF MATERIALS, SUPPLIES AND EQUIPMENT

Materials, supplies and equipment of all federal funds except the National School Lunch Programs Inventories are expended on a first-in, first-out basis as the foodstuffs and supplies are consumed in providing meals and services.

RIVERSIDE SCHOOL DISTRICT
SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

* NO PRIOR FINDINGS NOTED.

APPENDIX G

Bond Amortization Schedule

$1,865,000

RIVERSIDE SCHOOL DISTRICT

Lackawanna County, Pennsylvania

General Obligation Bonds, Series of 2020

Payment Date	Principal	Coupon	Interest	Debt Service	FYE June 30,	Annual Debt Service
October 15, 2020			$3,084.38	$3,084.38		
April 15, 2020			$18,506.25	$18,506.25	2021	$21,590.63
October 15, 2021	5,000	1.000%	$18,506.25	$23,506.25		
April 15, 2022			$18,481.25	$18,481.25	2022	$41,987.50
October 15, 2022	5,000	1.000%	$18,481.25	$23,481.25		
April 15, 2023			$18,456.25	$18,456.25	2023	$41,937.50
October 15, 2023	5,000	1.000%	$18,456.25	$23,456.25		
April 15, 2024			$18,431.25	$18,431.25	2024	$41,887.50
October 15, 2024	5,000	1.000%	$18,431.25	$23,431.25		
April 15, 2025			$18,406.25	$18,406.25	2025	$41,837.50
October 15, 2025	5,000	1.000%	$18,406.25	$23,406.25		
April 15, 2026			$18,381.25	$18,381.25	2026	$41,787.50
October 15, 2026	5,000	1.250%	$18,381.25	$23,381.25		
April 15, 2027			$18,350.00	$18,350.00	2027	$41,731.25
October 15, 2027	1,170,000	2.000%	$18,350.00	$1,188,350.00		
April 15, 2028			$6,650.00	$6,650.00	2028	$1,195,000.00
October 15, 2028	665,000	2.000%	$6,650.00	$671,650.00		
April 15, 2029					2029	$671,650.00
Total	$1,865,000		$274,409.38	$2,139,409.38		$2,139,409.38